

CHAPTER 288

S.B. No. 750

An Act relating to the creation, administration, expansion, funding, and dissolution of emergency communication districts in certain counties in which a 9-1-1 telephone number is used as the primary emergency telephone number and to the powers and duties of the districts, participating jurisdictions, and service suppliers; providing for the imposition and collection of fees; authorizing issuance of tax-free revenue bonds, including refunding bonds, and for further security for payment; providing permissible terms and provisions of bonds and their characteristics and for their eligibility for investments and security for deposit of public funds; requiring approval of the attorney general and registration by the comptroller.

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

SECTION 1. SHORT TITLE. This Act may be cited as the Emergency Telephone Number Act.

SECTION 2. PURPOSE. It is the purpose of this Act to establish the number 9-1-1 as the primary emergency telephone number for use by certain local governments in this state and to encourage units of local government and combinations of those units of local government to develop and improve emergency communication procedures and facilities in a manner that will make possible the quick response to any person calling the telephone number 9-1-1 seeking police, fire, medical, rescue, and other emergency services. To this purpose the legislature finds and declares:

- (1) it is in the public interest to shorten the time required for a citizen to request and receive emergency aid;
- (2) there exist thousands of different emergency telephone numbers throughout the state, and telephone exchange boundaries and central office service areas do not necessarily correspond to public safety and political boundaries;
- (3) a dominant part of the state's population is located in rapidly expanding metropolitan areas that generally cross the boundary lines of local jurisdictions and often extend into two or more counties; and
- (4) provision of a single, primary three-digit emergency number through which emergency services can be quickly and efficiently obtained would provide a significant contribution to law enforcement and other public safety efforts by making it less difficult to notify public safety personnel quickly.

SECTION 3. DEFINITIONS. In this Act:

- (1) "9-1-1 service" means a telecommunications service that will allow a user of the public telephone system to reach a public safety answering point by dialing the digits 9-1-1.
- (2) "Public agency" means any city or county that provides or has authority to provide fire-fighting, law enforcement, ambulance, medical, or other emergency services.
- (3) "Participating jurisdictions" means those public agencies that vote to be a part of a district.

(4) “Board” means the board of managers of a district.

(5) “District” means an emergency communication district created under this Act.

(6) “Most populous city” means a city located within the district that has a population of more than 140,000 according to the most recent federal census.

(7) “Public safety agency” means a functional division of a public agency that provides fire-fighting, law enforcement, ambulance, medical, or other emergency services.

(8) “Private safety entity” means a private entity that provides emergency fire, ambulance, or medical services.

(9) “Public safety answering point” or “PSAP” means a communications facility operated on a 24-hour basis, seven days a week, that:

(A) is assigned responsibility to receive 9-1-1 calls and, as appropriate, to dispatch emergency response services directly or to transfer or relay emergency 9-1-1 calls to other public safety agencies;

(B) is the first point of reception by a public safety agency of a 9-1-1 call; and

(C) serves the jurisdictions in which it is located or other participating jurisdictions.

(10) “Transfer method” means the method of responding to a telephone request for emergency service by which a PSAP transfers the call directly to the appropriate public safety agency or other provider of emergency services for appropriate action.

(11) “Relay method” means the method of responding to a telephone request for emergency service by which a PSAP notes pertinent information and relays that information to the appropriate public safety agency or other provider of emergency services for appropriate action.

(12) “Dispatch method” means the method for responding to a telephone request for emergency service by which a PSAP decides on the proper action to be taken and dispatches, when necessary, the appropriate emergency service unit.

(13) “Automatic number identification” or “ANI” means a feature by which a service supplier can identify the telephone number of a caller and that operates by forwarding the caller’s telephone number to the PSAP, where the data is received by equipment that translates it into a visual display.

(14) “Automatic location identification” or “ALI” means a feature corresponding to ANI by which the number provided by the ANI feature is matched with the address or location of the telephone from which the call is made and is presented to the PSAP along with the number in a computerized 9-1-1 service system.

(15) “Selective routing” means the feature provided with computerized 9-1-1 service by which 9-1-1 calls are automatically routed to the answering point serving the place from which the call originates.

(16) “Data base” means the information stored in a management system and is a system of manual procedures and computer programs used to create, store, and update the data required for the selective routing and ALI features in the provision of computerized 9-1-1 service.

(17) “Service user” means any person or entity that is provided local exchange access lines/trunks in the district.

(18) “Service supplier” means all entities providing local exchange access lines/trunks to any service user within the district.

(19) “Principal service supplier” means that entity that provides the greatest number of central office lines to the district.

(20) “Local exchange access lines/trunks” means all types of lines or trunks that connect the service user to the service supplier’s local telephone exchange office.

(21) “Base rate” means the rate or rates billed by a service supplier, as stated in the service supplier’s charges approved by the appropriate regulatory authority, that represent the service supplier’s recurring charges for local exchange access lines/trunks or their equivalent, exclusive of all taxes, fees, license costs, or similar charges.

(22) “9-1-1 service system” means a system of processing emergency 9-1-1 calls.

(23) “Director” means the director of communication.

SECTION 4. APPLICATION; TERRITORY. (a) This Act applies only to counties with a population of more than 75,000 according to the most recent federal census.

(b) If a city that is a part of a district annexes additional territory that is not a part of the district, the annexed territory becomes a part of the district.

(c) Two or more contiguous counties that independently qualify under Subsection (a) of this section may join together to form a district under this Act.

SECTION 5. CREATION OF DISTRICT. An emergency communication district may be created as provided by this Act.

SECTION 6. BOARD OF MANAGERS. (a) If the district has a city meeting the definition of "most populous city," the district's governing authority is a board of managers composed of:

(1) one voting member for each county in the district, with the commissioners court of each county appointing its own member;

(2) two voting members appointed by the governing body of the most populous city in the district;

(3) one voting member appointed by the governing body of the second-most populous city in the district;

(4) one voting member appointed to represent the other cities and towns lying wholly or partly within the district, that appointment to be made by the mayor's council established to administer urban development block grant funds if such a mayor's council exists and, if a mayor's council does not exist, then by action of the other board members, on the advice and recommendation of the governing bodies of all other cities and towns lying wholly or partly within the district; and

(5) one nonvoting member appointed by the principal service supplier.

(b) If the district does not have a city meeting the definition of "most populous city," the district's governing authority is a board of managers composed of:

(1) the following number of voting members representing counties in the district:

(A) if only one county is currently in the district, two voting members appointed by the commissioners court of the county;

(B) if only one county was in the district as the district was originally created but more than one county is currently in the district, two voting members appointed by the commissioners court of the county in which the district was originally located and one voting member for each other county in the district, with the commissioners court of each of those other counties appointing its own member;

(C) if more than one county was in the district as the district was originally created and more than one county is currently in the district, one voting member appointed for each county in the district, with the commissioners court of each county appointing its own member;

(2) two voting members appointed jointly by:

(A) all cities and towns lying wholly or partly within the district, in the case of the initial members appointed under this subdivision; and

(B) all cities and towns lying wholly or partly within the district that are participating jurisdictions, in the case of each successor member appointed under this subdivision;

(3) one voting member appointed jointly by the volunteer fire departments operating wholly or partly within the district, with the selection process to be coordinated by the county fire marshal or, if more than one county is in the district, by the affected county fire marshals; and

(4) one nonvoting member appointed by the principal service supplier; however, if more than one service supplier serves all or a part of the district, the principal service supplier may waive its right to appoint the member and designate another service supplier serving all or a part of the district to make the appointment.

(c) Except for the initial members, board members are appointed for staggered terms of two years, with as near as possible to one-half of the members' terms expiring each year. After the appointment of the initial board, the members shall draw lots to determine the initial members who will serve one-year terms and the initial members who will serve two-year terms. A board member may be removed from office at will by the governmental entity or organization appointing the member to the board. All vacancies on the board shall be filled for the unexpired term in the manner provided for the original appointment.

(d) Members of the board are not entitled to compensation for their services.

(e) The board shall manage, control, and administer the district. The board may adopt rules for the operation of the district. The board may contract with any public or private entity to carry out the purposes of this Act, including the operation of a 9-1-1 system.

(f) The board may appoint from its membership a presiding officer and any other officers it considers necessary. The director of the district or any member of the board may be appointed as secretary of the board. The board shall require the secretary to keep suitable records of all proceedings of each meeting of the board. The records shall be read and signed after each meeting by the presiding officer at the meeting and attested by the secretary.

(g) Unless a quorum is present, the board may not take any binding or final action. A majority of the total membership of the board constitutes a quorum.

(h) The district shall pay all reasonable expenses necessarily incurred by the board in performing its functions under this Act.

(i) Voting members of the board are entitled to meet in executive session as provided by Chapter 271, Acts of the 60th Legislature, Regular Session, 1967 (Article 6252-17, Vernon's Texas Civil Statutes).

SECTION 7. DIRECTOR OF COMMUNICATION. (a) The board may appoint a director of communication for the district who will serve as the general manager. The board shall establish the compensation of the director. The director is subject to removal by the board. The director with approval of the board may employ any experts, employees, and consultants the director considers necessary to carry out the purposes of this Act. The director shall perform all duties that may be required by the board and shall supervise all the operations of the district subject to any limitations prescribed by the board. The director must be qualified for the position by training and experience.

(b) One time each year, as soon as practicable after the close of the fiscal year, the director shall prepare and present to the board and to all participating public agencies a full, sworn, written statement of all money received by the district and how the money was used. The report must state in detail the operations of the district for the fiscal year. Under the direction of the board, the director shall prepare an annual budget that must be approved by the board and then presented to the commissioners court of each county in the district, the governing body of the most populous city (if the district has a city meeting the definition of this term), and the other participating jurisdictions in the district for final approval. For approval, the commissioners court of each county, the governing body of the most populous city, if any, and a majority of the remaining participating jurisdictions must approve the budget. In like manner, all budget revisions must be approved by the board, each commissioners court, the most populous city, if any, and a majority of the remaining participating jurisdictions. Annually, the board shall have an independent financial audit of the district's performance.

SECTION 8. ESTABLISHMENT OF 9-1-1 SERVICE. (a) A district shall provide 9-1-1 service to all participating jurisdictions under any one or a combination of the following methods and features:

- (1) transfer method;
- (2) relay method;
- (3) dispatch method;
- (4) automatic number identification;
- (5) automatic location identification;
- (6) selective routing; or
- (7) any equivalent method.

(b) A district shall provide 9-1-1 service by one or both of the following plans:

(1) with the consent of a participating jurisdiction, the district may design, implement, and operate a 9-1-1 system for the jurisdiction, provided the final plans for the system for a particular jurisdiction must have the approval of that jurisdiction; or

(2) with the consent of the affected participating jurisdictions, the district may design, implement, and operate a 9-1-1 system for two or more participating jurisdictions if a joint operation would be more economically feasible than separate systems for each jurisdiction, provided final plans for the system must have the approval of each affected participating jurisdiction.

(c) The district shall recommend minimum standards for a 9-1-1 system.

SECTION 9. PRIMARY EMERGENCY TELEPHONE NUMBER. The digits 9-1-1 shall be the primary emergency telephone number within the territory of a district established under this Act. A public safety agency whose services are available through a 9-1-1 system may maintain a separate number or numbers for emergencies and shall maintain a separate number or numbers for nonemergency telephone calls.

SECTION 10. TRANSMITTING REQUESTS FOR EMERGENCY AID. (a) A 9-1-1 system established under this Act must be capable of transmitting requests for fire-fighting, law enforcement, ambulance, and medical services to a public safety agency or agencies that provide the requested service in the jurisdiction at the place where the call originates. A 9-1-1 system may also provide for transmittal of requests for other emergency services including poison control, suicide prevention, and civil defense.

(b) A 9-1-1 PSAP may transmit emergency response requests to private safety entities.

SECTION 11. CONFIRMATION AND FEE ELECTION. (a) When all board members have been appointed or if following the 90th day after the effective date of this Act, at least a quorum of voting board members have been appointed, the district is tentatively established, subject to confirmation of dissolution as provided by this section. Not later than the 90th day after the district is tentatively established, the board shall institute proceedings for the creation of a district under this Act.

(b) The board may charge a 9-1-1 emergency service fee at a rate not to exceed three percent of the base rate of the principal service supplier per service year per month in the participating

jurisdictions. The jurisdiction of a county is the unincorporated area of the county. The 9-1-1 emergency service fee must have uniform application and must be imposed within all participating jurisdictions.

(c) A governing body of a public agency voting at a later date to participate in the district must have the 9-1-1 emergency service fee charged beginning on the date specified by the board. The board may charge the incoming jurisdiction an additional amount of money to cover the initial cost of providing the service to the incoming jurisdiction. At the time territory is added to a district, the 9-1-1 emergency service fee that the board has already been authorized to charge applies to the added territory.

(d) The board shall call an election within the proposed district for confirmation of the district and to authorize the district to charge and collect a 9-1-1 emergency service fee.

(e) The board shall order the ballot to be printed to provide for voting for or against the proposition: "Confirming the creation of an emergency communication district and authorizing a 9-1-1 emergency service fee to be charged by the district." Each qualified voter in the proposed district is entitled to vote in the election.

(f) The board shall give notice of the election by posting the notice of the election in each election precinct in the proposed district not later than the 20th day before the day of the election or by publishing the notice at least one time, not before the 25th day or after the 10th day before the day of the election, in at least one daily newspaper of general circulation published in the proposed district. The board shall include in the notice the nature and date of the election, the hours during which the polls will be open, the location of the polling places, and a description of the nature and maximum rate of the proposed 9-1-1 emergency service fee and the nature and proposed territory of the district. Except as provided by this section, the election shall be held as provided by the Texas Election Code. A copy of the notice shall be given to the county clerk of each county in which the district is to be located.

(g) Immediately after the election, the presiding judge of each election precinct shall return the results to the county clerk of the county in which the precinct is located, and the county clerk shall canvass the returns and forward the results to the board. If the majority of the votes cast favors confirmation of the creation of the district and the levy of the 9-1-1 emergency service fee, the district is created, and the board shall enter the results of the election in its minutes and adopt an order declaring the creation of the district. A certified copy of the order shall be filed with the county clerk of each county in which the district is located and shall be filed in the deed records of each of those counties. The order shall include the date of the election, the proposition voted on, the number of votes cast for and against the proposition, and the number of votes by which the proposition was approved. The order shall be accompanied by a map of the district clearly showing the boundaries of the district.

(h) If the majority of votes cast in the election is against the creation of the district and the levy of the fee, the district is not created. The board shall enter an order declaring that the district is not created and file a certified copy of the order with the county clerk of each county in which the district was to be located. If creation of a district is defeated, the procedure to establish another district that will include all or any part of the proposed district that was defeated may be initiated only after the expiration of one year from the date of the election at which the district was defeated. The procedure for establishing another district is the same procedure prescribed by this Act for originally establishing a district and is initiated by the appointment of an initial board of managers for the new district.

(i) The cost of the election shall be shared on a per capita basis as follows based on the most recent U.S. Census Bureau population data:

- (1) incorporated cities within the district; and
- (2) county population of all unincorporated areas within the district.

SECTION 12. DISTRICT POWERS. (a) The district, when created, constitutes a body corporate and politic, exercising public and essential governmental functions and, having all the powers necessary or convenient to carry out the purposes and provisions of this Act, including the capacity to sue or be sued. The district shall function as provided by this Act, and the board may levy and collect the proposed 9-1-1 emergency service fee. The board shall adopt an order specifying the date of the commencement of the levy and collection of the 9-1-1 emergency service fee.

(b) In order to fund the district, the district may apply for, accept, and receive federal, state, county, or municipal funds as well as private funds and may spend those funds for the purposes of this Act. The board shall determine the method and sources of funding for the district.

SECTION 13. LEVELS OF REVENUES AND EXPENSES. The board in charging the 9-1-1 emergency service fee under this Act shall attempt to achieve a matching of the revenues to the operating expenses of the district and to provide reasonable reserves for contingencies and for

purchase and installation of 9-1-1 emergency service equipment. Allowable operating expenses include all costs attributable to designing a 9-1-1 system and all equipment and personnel necessary to establish and operate a PSAP and other related answering points as the board considers necessary. If the proceeds generated by a 9-1-1 emergency service fee exceed the amount of money necessary to fund the district, the board by resolution shall reduce the rate to an amount adequate to fund the district. In lieu of reducing the rate, the board may suspend the fee if the revenues generated from it exceed the district's needs. The board by resolution may reinstitute the 9-1-1 emergency service fee if money generated by the district is not adequate to fund the district.

SECTION 14. IMPOSITION AND COLLECTION OF FEE. (a) A 9-1-1 emergency service fee may be imposed only on the base rate charges or their equivalent, exclusive of coin-operated telephone equipment. The fee may not be imposed on more than 100 local exchange access lines/trunks or their equivalent per entity per location. Every billed service user is liable for any fee imposed under this subsection until it has been paid to the service supplier. The duty of the service supplier to collect the fee begins on the date of implementation of the fee, which shall be specified in the order adopted by the board. The 9-1-1 emergency service fee shall be added to and shall be stated separately in the billing by the service supplier to the service user.

(b) The service supplier is not obligated to take any legal action to enforce the collection of any 9-1-1 emergency service fee. However, the service supplier shall provide the board with a certificate of delinquency. This certificate shall be provided annually, and it shall include the amount of all delinquent 9-1-1 fees and the name and address of the nonpaying user. A service user account shall be found delinquent if the 9-1-1 emergency service fees have not been paid to the service supplier within 30 days from the payment due date stated on the user's bill from the service supplier. The fee shall be collected at the same time as the service charge in accordance with the regular billing practice of the service supplier. The district may institute legal proceedings to collect fees not paid, and the district may establish internal collection procedures and recover the cost of collection from the nonpaying user. In the event the district prevails in the legal proceedings, the court may award court costs, attorney's fees, and interest in addition to other amounts recovered. Interest on the delinquent amount accrues at the rate of 12 percent a year from the date payment of the fee was due. The certificate of delinquency shall constitute prima facie evidence of delinquency.

(c) The board shall set the amount of the fee each year as part of the annual budget, and the service supplier shall be given at least 90 days' notice of a change in the fee. The amounts collected by the service supplier attributable to any 9-1-1 emergency service fee shall be due monthly. The amount of the fee collected in any calendar month by the service supplier shall be remitted to the district not later than the 60th day after the last day of the calendar month. On or before the 60th day, a return, in a form the district prescribes, shall be filed with the district together with a remittance of the amount of fees collected payable to the district. The service supplier shall maintain records of the amount of fees collected for a period of at least two years from the date of collection. The board may require at its expense an annual audit of the service supplier's books and records with respect to the collection and remittance of fees. From the collected 9-1-1 fees to be remitted to the board, the service supplier is entitled to retain as an administrative fee an amount equal to two percent of the collected 9-1-1 fees.

(d) After the election at which creation of a district is approved, the board shall select a depository for the district in the manner provided by law for the selection of county depositories. The depository shall be the depository of the district for a period of two years after its selection and until its successor is selected and has qualified.

SECTION 15. NUMBER AND LOCATION IDENTIFICATION: LIABILITY.

(a) Current telephone numbers of subscribers and the addresses associated with the numbers shall be furnished by a service supplier as a part of computerized 9-1-1 service on a call-by-call basis and shall be considered confidential and may not be made available for public inspection.

(b) A service supplier is not liable to any person who uses the 9-1-1 service created under this Act for release to the district of the information specified in Subsection (a) of this section.

SECTION 16. PUBLIC REVIEW. (a) Every three years, the board shall solicit public comments and hold a public review hearing on the continuation of the district and the 9-1-1 emergency service fee. The first public review hearing shall be held three years after the date the order certifying the creation of the district is filed with the county clerks. Subsequent public hearings shall be held three years after the date the order from the most recent previous public review hearing is adopted.

(b) Notice of the time and place of the public hearing shall be published once a week for two consecutive weeks in a daily newspaper of general circulation published in the district. The first publication of notice must be not less than 15 days before the date set for the hearing.

(c) After the public hearing, the board shall adopt an order relating to the continuation or the dissolution of the district and the fee.

(d) If a district is dissolved under this Act, the 9-1-1 service shall be discontinued on the date of the dissolution. The commissioners court of each county in which the district was located, acting jointly if more than one county is involved, shall assume the assets of the district and pay the debts of the district. If the assets of the district are insufficient to retire all existing debts of the district as of the date of the dissolution, the commissioners court of each of the counties, acting jointly, shall continue to levy the 9-1-1 emergency service fee, the proceeds from which may be used only to retire the outstanding debts of the district. The debts of the district shall be retired to the extent practicable according to the terms of the instruments creating the debts and the terms of the orders and resolutions authorizing their creation. If it is necessary to continue to levy and collect the 9-1-1 emergency service fee under this subsection, the service supplier shall continue to collect the fee and shall pay the fee to the commissioners court or to the commissioners courts if more than one is involved. The commissioners court of each county, acting jointly if more than one is involved, by order may adopt regulations necessary to administer this subsection.

SECTION 17. ISSUANCE OF BONDS. The board may issue and sell bonds in the name of the district to finance:

(1) the acquisition by any method of facilities, equipment, or supplies necessary for the district to begin providing 9-1-1 service to all participating jurisdictions; and

(2) the installation of equipment necessary for the district to begin providing 9-1-1 service to all participating jurisdictions.

SECTION 18. MANNER OF REPAYMENT OF BONDS. The board may provide for the payment of the principal of and interest on the bonds by pledging all or any part of the district's revenues from the 9-1-1 emergency service fee or from other sources.

SECTION 19. ADDITIONAL SECURITY FOR BONDS. (a) The bonds may be additionally secured by a deed of trust or mortgage lien on part or all of the physical properties of the district and the rights appurtenant to those properties, vesting in the trustee power to sell the properties for payment of the indebtedness, power to operate the properties, and all other powers necessary 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 include provisions prescribed by the board for the security of the bonds and the preservation of the trust estate and may make provisions for investment of funds of the district.

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

SECTION 20. FORM OF BONDS. (a) A district may issue its bonds in various series or issues.

(b) Bonds may mature serially or otherwise not more than 25 years from their date and shall bear interest at any rate permitted by the constitution and laws of this state.

(c) A district's bonds and interest coupons, if any, are investment securities under the terms of Chapter 8 of the Business & Commerce Code and may be issued registrable as to principal or as to both principal and interest and may be made redeemable before maturity, at the option of the district, or may contain a mandatory redemption provision.

(d) A district's bonds may be issued in the form, denominations, and manner and under the terms, conditions, and details and shall be signed and executed as provided by the board in the resolution or order authorizing their issuance.

SECTION 21. PROVISIONS OF BONDS. (a) In the orders or resolutions authorizing the issuance of bonds, including refunding bonds, the board may provide for the flow of funds, the establishment and maintenance of the interest and sinking fund, the reserve fund, and other funds and may make additional covenants with respect to the bonds, the pledge revenues, and the operation and maintenance of any facilities the revenue of which is pledged.

(b) The orders or resolutions of the board authorizing the issuance of bonds may also prohibit the further issuance of bonds or other obligations payable from the pledged revenue or may 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.

(c) The orders or resolutions of the board issuing bonds may contain other provisions and covenants as the board may determine.

(d) The board may adopt and have executed any other proceedings or instruments necessary and convenient in the issuance of bonds.

SECTION 22. APPROVAL BY ATTORNEY GENERAL; REGISTRATION BY COMPTROLLER. (a) Bonds issued by a district must be submitted to the attorney general for examination.

(b) If the attorney general finds that the bonds have been authorized in accordance with law, he shall approve them, and they shall be registered by the comptroller of public accounts.

(c) After the approval and registration of bonds, the bonds are incontestable in any court or other forum for any reason and are valid and binding obligations according to their terms for all purposes.

SECTION 23. REFUNDING BONDS. (a) A district may issue bonds to refund all or any part of its outstanding bonds, including matured but unpaid interest coupons.

(b) Refunding bonds shall mature serially or otherwise not more than 25 years from their date and shall bear interest at any rate or rates permitted by the constitution and laws of this state.

(c) Refunding bonds may be payable from the same source as the bonds being refunded or from other additional sources.

(d) The refunding bonds must be approved by the attorney general as provided by Section 22 of this Act and shall be registered by the comptroller on the surrender and cancellation of the bonds refunded.

(e) The orders or resolutions authorizing the issuance of the refunding bonds may provide that they 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 sufficient to pay the principal of and interest on the bonds being refunded to their maturity dates or to their option dates if the bonds have been duly called for payment before maturity according to their terms shall be deposited in the place or places at which the bonds being refunded are payable. The comptroller shall register the refunding bonds without the surrender and cancellation of bonds being refunded.

(f) A refunding may be accomplished in one or in several installment deliveries. Refunding bonds and their interest coupons are investment securities under Chapter 8 of the Business & Commerce Code.

(g) In lieu of the method set forth in Subsections (a) through (f) of this section, a district may refund bonds, notes, or other obligations as provided by the general laws of this state.

SECTION 24. BONDS AS INVESTMENTS. District bonds are legal and authorized investments for:

- (1) banks;
- (2) savings banks;
- (3) trust companies;
- (4) savings and loan associations;
- (5) insurance companies;
- (6) fiduciaries;
- (7) trustees;
- (8) guardians; and

(9) sinking funds of cities, counties, school districts, and other political subdivisions of the state and other public funds of the state and its agencies, including the permanent school fund.

SECTION 25. BONDS AS SECURITY FOR DEPOSITS. District bonds are eligible to secure deposits of public funds of the state and cities, counties, school districts, and other political subdivisions of the state. The bonds are lawful and sufficient security for deposits to the extent of their value when accompanied by all unmatured coupons.

SECTION 26. TAX STATUS OF BONDS. Since a district created under this Act is a public entity performing an essential public function, bonds issued by the district, any transaction relating to the bonds, and profits made in the sale of the bonds are free from taxation by the state or by any city, county, special district, or other political subdivision of the state.

SECTION 27. ADDING OTHER PUBLIC AGENCIES. After creation of a district, any public agency in a county in which a district is located or any public agency all or part of which is located in an adjoining county may become a part of the district and subject to its benefits and requirements on adoption of a resolution by its governing board and approval by the district's board.

SECTION 28. OTHER EMERGENCY NUMBER LAWS. This Act does not affect the authority of a public agency to operate under another law authorizing the creation of a district in which 9-1-1 service is provided.

SECTION 29. EMERGENCY. 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 the Senate on April 10, 1985, by the following vote: Yeas 28, Nays 0; Senate concurred in House amendment on May 21, 1985, by the following vote: Yeas 31, Nays 0; passed the House, with amendment, on May 17, 1985, by the following vote: Yeas 134, Nays 0, one present not voting.

Approved: June 6, 1985

Effective: Immediately