

## CHAPTER 648

## H.B. No. 2507

## AN ACT

relating to the powers and duties of Dallas County Utility and Reclamation District to exclude land from and add land to the district; granting the power to implement a funded risk management program.

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

SECTION 1. Section 8, Chapter 628, Acts of the 68th Legislature, Regular Session, 1983, is amended to read as follows:

Sec. 8. The board of directors of the district shall be authorized to exclude land from the district and to add land to the district in accordance with the following provisions: [~~for the exclusion of land from municipal utility districts under Chapter 54, Water Code, as amended.~~]

(a) *The board may, solely on its own motion, call a hearing on the question of exclusion of land from the district if it finds that the exclusion is practicable, just, or desirable and that the holders of all outstanding bonds, notes, securities, and other obligations of the district are or will be protected as a result of the district providing a substantial equivalent as security in lieu of the excluded land for said bonds, notes, securities, and other obligations.*

(b) *If the board determines that an exclusionary hearing should be held, the board shall give notice of a time and place for a hearing by publishing said notice once a week for two consecutive weeks in one or more newspapers of general circulation in the district. The first publication shall appear at least 14 days before the hearing date.*

(c) *After considering all matters presented during the hearing by the district's staff, property owners, taxpayers, and others, upon the board's finding and concluding that the exclusion of land from the district is practicable, just, or desirable, and that the holders of all outstanding bonds, notes, securities, and other obligations of the district are or will be protected as a result of the district's providing a substantial equivalent as security for payment of said bonds, notes, securities, and other obligations in the form of newly annexed property, or other lawful and adequate security, the board may, solely at its own discretion, enter an order excluding said land and property from the district and shall redefine in the order the boundaries of the district to embrace all land not excluded. A copy of the order excluding the land and redefining the boundaries of the district shall be filed in the deed records of Dallas County, Texas.*

(d) *The district may annex property to the district in the manner provided by Sections 54.711 through 54.727, Water Code.*

SECTION 2. Chapter 628, Acts of the 68th Legislature, Regular Session, 1983, is amended by adding Section 12A to read as follows:

Sec. 12A. *The district, acting through its board of directors, may implement a funded risk management program to self-insure against such risks, liabilities, and casualties as the board of directors may determine, and is authorized:*

(a) *to create or provide for a risk management fund and to pay or discharge therefrom such claims, losses, risks, liabilities, and casualties, and the expenses and costs of administration thereof, as may be defined and specified by the board of directors;*

(b) *to issue, guarantee, or otherwise pledge its assets, properties or credit to secure any and all such bonds, notes, contracts, or other obligations as may be appropriate for the creation of the risk management fund;*

(c) *notwithstanding any limitations in Section 12 of this Act, to levy, assess, collect, and pledge ad valorem taxes for payment of bonds, notes, contracts, and other obligations authorized pursuant to Subsection (b) of this section, and notwithstanding any limitations contained in Section 10 of this Act, to pledge its maintenance taxes for the payment of such bonds, notes, contracts, and other obligations;*

(d) *to organize a non-profit corporation as a risk management authority for the purpose of administering the risk management fund and the risk management program in a manner consistent with the provisions of this section; to contract with said corporation, and to guarantee and secure its obligations and indebtedness for such purposes;*

(e) *to execute and deliver any and all such other and additional notes, bonds, contracts, agreements, documents, certificates, or instruments, and to do and perform any and all such other and further acts and things as its board of directors may deem necessary, advisable or appropriate to implement and administer a risk management program in a manner consistent with this section.*

SECTION 3. All elections held, all contracts executed, all bonds, notes, and other obligations issued by the district, the expenditure of funds in payment of satisfaction of same, the district's boundaries and all annexations and disannexations of land, and all other governmental actions are hereby in all things validated, ratified and confirmed.

SECTION 4. The legislature specifically finds and declares that the requirements of Article XVI, Section 59(d), and of Article III, Section 52, of the Texas Constitution have been met, done, and accomplished in due course and time and in due order, and that the legislature has the power and authority to enact this Act.

SECTION 5. If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable. The terms and provisions of this Act are to be construed liberally to effectuate the purposes, powers, rights, functions, and authorities herein set forth.

SECTION 6. 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 separate 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 30, 1987, by the following vote: Yeas 142, Nays 0, 1 present, not voting; and, pursuant to the provisions of Article XVI, Section 59(d) of the Constitution of Texas, a copy of H.B. No. 2507 was transmitted to the Governor on March 19, 1987, and the recommendation of the Texas Water Commission was filed with the Speaker of the House on April 16, 1987. Passed by the Senate on May 21, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 18, 1987.

Effective June 18, 1987.