



# The Attorney General of Texas

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JIM MATTOX  
Attorney General

Supreme Court Building  
P. O. Box 12548  
Austin, TX. 78711-2548  
512/475-2501  
Telex 910/874-1367  
Telecopier 512/475-0266

1607 Main St., Suite 1400  
Dallas, TX. 75201-4709  
214/742-8944

4824 Alberta Ave., Suite 160  
El Paso, TX. 79905-2793  
915/533-3484

J Dallas Ave., Suite 202  
Houston, TX. 77002-6986  
713/650-0666

806 Broadway, Suite 312  
Lubbock, TX. 79401-3479  
806/747-5238

4309 N. Tenth, Suite B  
McAllen, TX. 78501-1685  
512/682-4547

200 Main Plaza, Suite 400  
San Antonio, TX. 78205-2797  
512/225-4191

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To All Bond Counsel:

Re: Creation Petitions and Petitions for Annexation of Land for Water Districts; Certificate of Assessed Valuation

Please be advised of several additional division requirements for bond approval of water districts.

In many situations, the property to be included in the district, whether during creation or at a later annexation, is the subject of one or more liens. This office will require that the creation petition and any annexation petition must also be signed by all lienholders. A further requirement will be district certification that all signing lienholders are in fact the only persons holding liens on the described property.

Many times land to be included in the district is also held in trust. This office will require evidence of the trust, either a written trust or certification in the general certificate that there is no written trust and therefore the Texas Trust Act applies. Evidence of the trustee appointment must also be shown.

It has been our office policy in regard to a creation or annexation for tax ownership documentation to be provided evidencing a majority in value of the owners of the defined area. In the future, whether an annexation is by a fee simple owner or by a majority in value, it will be necessary to show, via tax ownership certificates, title in those petitioning the district.

The district's assessed valuation certificate must be a finally approved value assessment within the district. This office will not accept an estimated valuation. If the district is able to provide certification from the Chief Appraiser as to the value as shown by the official appraisal records and there has been no protest by any owner of the taxable property nor any

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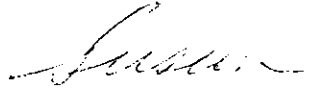
challenge by the district or any other taxing unit, the values may be considered to enable the district to issue bonds.

Please circulate this letter to all of your attorneys involved in the issuance of water district bonds.

Thank you for your cooperation.

With best wishes, I am

Very truly yours,



Susan Lee Voss  
Assistant Attorney General

SLV:jh