

- SUBJECT:** Creating the Ship Channel Improvement Revolving Fund
- COMMITTEE:** Texas Ports, Innovation and Infrastructure — committee substitute recommended
- VOTE:** 7 ayes — Deshotel, Paul, T. King, Morrison, Oliveira, Roberts, J. Rodriguez
- 0 nays
- 4 absent — Faircloth, Goldman, Ortega, Phelan
- WITNESSES:** For — Mike Wilson, Port Freeport; Albert Shannon, Port of Galveston; Keith Strama, Sabine Neches Navigation District; Phyllis Saathoff, Texas Ports Association; (*Registered, but did not testify:* Sally Bakko, City of Galveston; Daniel Womack, Dow Chemical; Ron Lewis, Port of Beaumont; Hugo Berlanga and Nelda Olivo, Port of Corpus Christi; Larry Kelley, Port of Port Arthur; Miranda Goodsheller, Texas Association of Business; Scott Stewart, Texas Chemical Council)
- Against — None
- On — (*Registered, but did not testify:* Dan Harmon, Texas Department of Transportation)
- BACKGROUND:** Observers note that Texas ports must compete with ports in neighboring states to improve depth and infrastructure to meet new opportunities and expand the manufacturing industry.
- DIGEST:** CSHB 4021 would create the Ship Channel Improvement Revolving Fund as an account in the general revenue fund, administered by the Texas Transportation Commission.
- The bill would require the Texas Transportation Commission to establish a revolving loan program to use money from the fund to finance qualified projects for navigation districts, which would have to:

- deepen or widen a ship channel;
- be authorized by the United States Congress; and
- meet other standards provided by commission rule.

Money credited to the fund would include gifts, grants, donations, money appropriated to the commission for certain purposes, loan repayments, and interest earned. Financial transactions of the fund would be subject to state audit, and money could be appropriated from the fund only to finance qualified projects. A maintenance dredging project would not qualify as a project under this bill.

The bill also would add two members to the Port Authority Advisory Committee, increasing the total number to nine. One member would be appointed by the lieutenant governor and one would be appointed by the House speaker.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.

**NOTES:**

According to the Legislative Budget Board's fiscal note, the fiscal implications of this bill are indeterminate, but could be significant at the time of implementation.

Authorized projects require a non-federal sponsor to share the cost. Estimates of the non-federal share for projects in Texas authorized by the federal Water Resources Reform and Development Act of 2014 range from \$118.3 million to \$365.9 million.

A companion bill, SB 28 by Creighton, was reported favorably from the House Select Committee on Texas Ports, Innovation, and Infrastructure on April 20 and sent to the House Calendars Committee on May 1.