

BILL ANALYSIS

Senate Research Center

S.B. 1774
By: Alvarado et al.
Ports, Select
5/18/2021
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas's port infrastructure is vital to our state's economy. Our ports support close to two million jobs and account for 25 percent of our state's GDP.

Several of our ports have congressionally approved deepening and widening projects, but do not have the means to finance the projects in a timely manner.

As of today, five Texas ports have congressionally approved projects. Many of those were designated/approved five to 10 years ago, but few, if any, have started construction on the channel.

This legislation would allow for the lawful conveyance of land from a port with a current Water Resources Development Act (WRDA) designated project to a long-term lessee so long as the dollars received (in excess of fair market value for the land) are used for projects related to deepening and widening.

This will allow the following ports to sell land and use the proceeds for deepening and widening, if the port chooses to do so:

Corpus Christi Ship Channel

Freeport Harbor

The Houston Ship Channel

Sabine-Neches Waterway, Southeast Texas and Southwest Louisiana

This is permissive for the ports. So, it allows them to make this type of transaction, but does not require them to.

(Original Author's / Sponsor's Statement of Intent)

S.B. 1774 amends current law relating to the conveyance of certain real property by certain navigation districts.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 60, Water Code, by adding Section 60.0381, as follows:

Sec. 60.0381. CONVEYANCE OF LAND BY CERTAIN NAVIGATION DISTRICTS.
(a) Provides that this section applies only to:

(1) a district that controls a ship channel or waterway that is the subject of a project that has been authorized or modified by the United States Congress in the Water Resources Development Act of 2016 (Pub. L. No. 114-322, Title I, 130 Stat. 1632) or the Water Resources Development Act of 2020 (Pub. L. No. 116-260, Div. AA, 134 Stat. 2615); and

(2) a lease entered into before the effective date of the Act enacting this section.

(b) Authorizes a district, notwithstanding any other provision of law, including Section 5007.004 (Grant of Title to Certain Islands and Other Land; Related Powers and Duties; Riparian Landowners; Reservation of Certain State Rights and Powers), Special District Local Laws Code, to the extent that the district has entered into a surface lease with an original term of at least 20 years, to sell the land, improvements, easements, and any other interests in the real property or any part of the real property to the surface lease counterparty according to this section. Authorizes the land, improvements, easements, and any other interests in real property to be conveyed by the district to the surface lease counterparty, without complying with the notice and bidding or other requirements of Sections 60.040 (Publication of Notice for Sales, Easements, and Leases in Excess of 50 Years), 60.041 (Security for Bids on Real Property to be Sold or Leased for More Than 50 Years), and 60.042 (Award and Execution of Deed or Lease in Excess of 50 Years). Requires that the sale be:

(1) approved by the port commission;

(2) executed by the chair of the port commission;

(3) attested by the executive director of the district; and

(4) made for an amount that is not less than the reasonable market value of the land, improvements paid for by the district, easements, or other interest in real property, as applicable, at the time of contracting for the sale.

(c) Authorizes money received from the sale of real property as described by this section in excess of the sum of the reasonable market value of the property and the amount of rent due for the unexpired term of the surface lease to be used only for the purpose of a project that has been authorized or modified by the United States Congress in the Water Resources Development Act of 2016 (Pub. L. No. 114-322, Title I, 130 Stat. 1632) or the Water Resources Development Act of 2020 (Pub. L. No. 116-260, Div. AA, 134 Stat. 2615).

(d) Prohibits a district from selling land under this section to an entity that presents an undue security or safety risk to this state because of potential sabotage to or subversion of the integrity, operation, or maintenance of a ship channel or waterway of this state.

SECTION 2. Effective date: upon passage or September 1, 2021.