

AN ACT

relating to the disposition of real property interests by navigation districts and port authorities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Section 60.038, Water Code, is amended to read as follows:

Sec. 60.038. DISPOSITION [~~SALE OR LEASE~~] OF INTERESTS IN REAL PROPERTY [~~LAND~~].

SECTION 2. Section 60.038, Water Code, is amended by amending Subsections (a), (b), and (c) and adding Subsections (e), (f), and (g) to read as follows:

(a) A district may sell, exchange, or lease real property or any interest in real property [~~all or any part of land~~] owned by it, whether the real property was [~~land is~~] acquired by gift or purchase, in settlement of any litigation, controversy, or claim in behalf of the district, or in any other manner, except that lands or flats heretofore purchased from the State of Texas under former Article 8225, Revised Civil Statutes of Texas, 1925, or granted by the State of Texas in any general or special act, may be sold only to the State of Texas or exchanged with the State of Texas for other lands or exchanged for adjacent littoral land as authorized by Section 61.117 [~~of this code~~]. The district may impose restrictions on the development, use, and transfer of any real property or interest in real property in connection with its sale or

1 exchange under this section.

2 (b) Except as provided by Subsection (e), before [~~Before~~] a
3 district may sell or exchange real property [~~land~~], the commission
4 shall determine by resolution that the real property [~~land~~] is no
5 longer needed for use by the district in connection with the
6 development of a navigation project.

7 (c) Except as provided by Subsection (e), (f), or (g), a
8 sale [~~sale~~] or exchange [~~lease~~] of real property [~~land~~] shall be
9 made as provided by Sections 60.040, 60.041, and 60.042
10 [~~60.039-60.042 of this code~~].

11 (e) A district may donate, exchange, convey, sell, or lease
12 land, improvements, easements, or any other interests in real
13 property to an electric utility, as that term is defined by Section
14 31.002, Utilities Code, or a telecommunications utility, as that
15 term is defined by Section 51.002, Utilities Code, to promote a
16 public purpose related to the development of the district. The
17 district shall determine the terms and conditions of the
18 transaction so as to:

- 19 (1) achieve the public purpose; and
20 (2) be consistent with the requirements of Title 2,
21 Utilities Code.

22 (f) A district may donate, exchange, convey, sell, or lease
23 a real property interest under Subsection (e) for less than its fair
24 market value and without complying with the notice and bidding
25 requirements of Sections 60.040, 60.041, and 60.042.

26 (g) Narrow strips of real property resulting from boundary
27 or surveying conflicts or similar causes, or from insubstantial

1 encroachments by abutting real property owners, or real property of
2 larger configuration that has been subject to encroachments by
3 abutting real property owners for more than 25 years may be
4 abandoned, released, exchanged, or transferred to such abutting
5 owners on terms and conditions considered appropriate or
6 advantageous to the district. A district may convey real property
7 under this subsection for less than its fair market value and
8 without complying with the notice and bidding requirements of
9 Sections [60.040](#), [60.041](#), and [60.042](#).

10 SECTION 3. This Act takes effect immediately if it receives
11 a vote of two-thirds of all the members elected to each house, as
12 provided by Section [39](#), Article III, Texas Constitution. If this
13 Act does not receive the vote necessary for immediate effect, this
14 Act takes effect September 1, 2023.

S.B. No. 818

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 818 passed the Senate on April 3, 2023, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 818 passed the House on May 6, 2023, by the following vote: Yeas 125, Nays 11, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor