

By: Phelan

H.B. No. 5669

A BILL TO BE ENTITLED

AN ACT

relating to the name and powers of the Sabine Pass Port Authority;
altering the terms of the authority's port commission; altering the
authority to issue bonds.

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

SECTION 1. The heading to Chapter 5012, Special District
Local Laws Code, is amended to read as follows:

CHAPTER 5012. PORT OF SABINE PASS [~~PORT AUTHORITY~~]

SECTION 2. Sections 5012.0001, 5012.0002, and 5012.0003,
Special District Local Laws Code, are amended to read as follows:

Sec. 5012.0001. DEFINITIONS. In this chapter:

(1) [~~"Authority" means the Sabine Pass Port Authority.~~

[~~(2)~~] "Commission" means the port's [~~authority's~~] port
commission.

(2) [~~(3)~~] "Commissioner" means a commission member.

(3) "Port" means the Port of Sabine Pass.

Sec. 5012.0002. LEGISLATIVE FINDINGS OF PURPOSE AND
BENEFIT. (a) The port [~~authority~~] is [~~a port district~~] essential
to accomplish the purposes of Section 52-a, Article III, and
Section 59, Article XVI, Texas Constitution, and other public
purposes stated in this chapter. By granting the port powers under
this chapter, the legislature has established a program to
accomplish the public purposes set out in Section 52-a, Article
III, Texas Constitution.

(b) The port serves a public use and benefit.

(c) All land and other property included ~~[territory]~~ in the port will benefit ~~[authority benefits]~~ from the ~~[authority's]~~ improvements and services to be provided by the port under powers conferred by Section 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter ~~[, works, and facilities]~~.

Sec. 5012.0003. PORT ~~[AUTHORITY]~~ TERRITORY. The port ~~[authority]~~ is composed of the territory in Jefferson County described by Section 1, Chapter 379, Acts of the 63rd Legislature, Regular Session, 1973, as that territory may have been modified under:

(1) Subchapter H, Chapter 62, Water Code; or

(2) other law.

SECTION 3. The heading to Subchapter B, Chapter 5012, Special District Local Laws Code, is amended to read as follows:

SUBCHAPTER B. PORT ~~[AUTHORITY]~~ ADMINISTRATION

SECTION 4. Sections 5012.0051, 5012.0052, 5012.0053, and 5012.0054, Special District Local Laws Code, are amended to read as follows:

Sec. 5012.0051. COMMISSION; TERMS; ELECTION. (a) The port ~~[authority]~~ is governed by a commission composed of five elected commissioners.

(b) Commissioners serve staggered four-year ~~[two-year]~~ terms, with the appropriate number of ~~[two]~~ commissioners elected in each even-numbered year on the uniform election date in May ~~[and three commissioners elected in each odd-numbered year]~~.

(c) The commission:

(1) is the port's ~~[authority's]~~ governing body; and

(2) has the powers conferred on navigation and canal commissioners of navigation districts and the commissioners court by the Water Code.

Sec. 5012.0052. QUALIFICATIONS FOR OFFICE. Each commissioner must:

(1) be a resident of the port ~~[authority]~~;

(2) own taxable property in the port ~~[authority]~~; and

(3) be a qualified voter.

Sec. 5012.0053. NOTICE OF COMMISSIONERS' ELECTION. Notice of a commissioner's election shall be:

(1) signed by the commission's presiding officer or secretary; and

(2) posted in accordance with Section 4.003(b), Election Code ~~[given by publishing notice once each week for two consecutive weeks in a newspaper with general circulation in the authority, with the first publication being made not earlier than the 60th day before the date of the election, and not later than the 21st day before the date of the election].~~

Sec. 5012.0054. ELECTION RESULTS. As soon as practicable after each election held by the port ~~[authority]~~, the commission shall declare the results of the election.

SECTION 5. Section 5012.0055(a), Special District Local Laws Code, is amended to read as follows:

(a) Each commissioner shall:

(1) take an oath of office that contains the

1 applicable provisions provided by law for members of the
2 commissioners court; and

3 (2) execute a bond for \$10,000 payable to the port
4 ~~[authority]~~, conditioned on the faithful performance of the
5 commissioner's duties as a commissioner.

6 SECTION 6. Section 5012.0056, Special District Local Laws
7 Code, is amended to read as follows:

8 Sec. 5012.0056. VOTING REQUIREMENT. The concurrence of a
9 majority of the commissioners present at a meeting where a quorum is
10 present is sufficient in any matter relating to port ~~[authority]~~
11 business.

12 SECTION 7. Section 5012.0057(c), Special District Local
13 Laws Code, is amended to read as follows:

14 (c) The secretary shall be responsible for maintaining and
15 preserving the minutes, records, and other documents of the port
16 ~~[authority]~~.

17 SECTION 8. Sections 5012.0058, 5012.0101, 5012.0102,
18 5012.0103, and 5012.0104, Special District Local Laws Code, are
19 amended to read as follows:

20 Sec. 5012.0058. COMPENSATION OF COMMISSIONERS; EXPENSES.

21 (a) Each ~~[Unless otherwise provided, each]~~ commissioner is
22 entitled to receive \$600 per month for the commissioner's services
23 ~~[a fee of not more than \$50 a day for each day of service necessary~~
24 ~~to discharge the duties of a commissioner]~~.

25 (b) Each commissioner is entitled to reimbursement for
26 actual expenses incurred on behalf of the port ~~[authority]~~ and
27 approved by the commission.

1 Sec. 5012.0101. GENERAL POWERS. The port [~~authority~~] may
2 exercise:

3 (1) the rights, privileges, and functions provided by
4 this chapter; and

5 (2) all powers, rights, privileges, and functions
6 conferred by Chapters 60 and 62, Water Code.

7 Sec. 5012.0102. POWERS REGARDING PORTS, WATERWAYS, AND
8 FACILITIES. The port [~~authority~~] may:

9 (1) acquire, take over, construct, maintain, repair,
10 operate, develop, and regulate wharves, docks, warehouses, grain
11 elevators, ship repair facilities, belt railways, lands, and all
12 other facilities or aids consistent with or necessary for the
13 operation or development of ports, waterways, or maritime commerce
14 inside or outside the port's [~~authority's~~] boundaries; and

15 (2) construct, extend, improve, repair, maintain,
16 reconstruct, own, use, and operate any facility necessary or
17 convenient to the exercise of such powers, rights, privileges, and
18 functions granted by this chapter.

19 Sec. 5012.0103. BYLAWS AND RULES. The port [~~authority~~] may
20 adopt bylaws and rules for the management and regulation of its
21 affairs.

22 Sec. 5012.0104. GIFT OR PURCHASE OF PROPERTY. The port
23 [~~authority~~] by gift or purchase may acquire any property or any
24 interest in property that is:

25 (1) inside or outside the port's [~~authority's~~]
26 boundaries; and

27 (2) necessary or convenient to exercising a power,

right, privilege, or function conferred on the port ~~[authority]~~ by this chapter.

SECTION 9. Subchapter C, Chapter 5012, Special District Local Laws Code, is amended by adding Section 5012.01045 to read as follows:

Sec. 5012.01045. USE OF PORT PROPERTY. (a) The port may use port property for:

- (1) job creation and retention;
- (2) economic development;
- (3) industry;
- (4) commerce;
- (5) manufacturing;
- (6) housing;
- (7) recreation;
- (8) infrastructure installation on port property; or
- (9) any other activity essential to accomplish the purposes of Section 52-a, Article III, Texas Constitution.

(b) For the purposes described by Subsection (a), the port may:

- (1) develop, construct, improve, maintain, equip, and furnish buildings, equipment, facilities, or improvements on or to port property; and
- (2) lease port property on terms the commission considers advisable to allow for the development, construction, improvement, maintenance, equipping, and furnishing of buildings, equipment, or facilities on or improvements to the property.

(c) The port may enter into a contract with another person

1 to accomplish the purposes of this section on terms the commission
2 considers appropriate, desirable, and in the port's best interests.

3 (d) The port may not issue bonds or other obligations
4 payable from ad valorem taxes to finance a project authorized under
5 this section.

6 SECTION 10. Sections 5012.0105, 5012.0106, 5012.0107, and
7 5012.0108, Special District Local Laws Code, are amended to read as
8 follows:

9 Sec. 5012.0105. EMINENT DOMAIN. (a) To exercise a power
10 provided by law, the port [~~authority~~] may exercise the power of
11 eminent domain to acquire any property and any interest in property
12 inside the port's [~~authority's~~] boundaries. The port [~~authority~~]
13 must exercise the power of eminent domain in the manner provided by
14 Chapter 21, Property Code.

15 (b) The port [~~authority~~] is a municipal corporation for the
16 purposes of Section 21.021, Property Code.

17 (c) The port [~~authority~~] is not required to give bond for
18 appeal or bond for costs in any judicial proceeding related to the
19 port's [~~authority's~~] exercise of eminent domain.

20 (d) The port's [~~authority's~~] authority to exercise the power
21 of eminent domain expired on September 1, 2013, unless the port
22 [~~authority~~] submitted a letter to the comptroller in accordance
23 with Section 2206.101(b), Government Code, not later than December
24 31, 2012.

25 Sec. 5012.0106. LEASE OF PORT [~~AUTHORITY~~] FACILITIES. A
26 lease under Section 60.101, Water Code, may contain any provision
27 the commission determines is advantageous to the port [~~authority~~],

1 including a provision for:

2 (1) the sale of a leased property at the termination of
3 the lease; and

4 (2) the management and operation of a leased property
5 by the port or lessee.

6 Sec. 5012.0107. SALE OF SURPLUS PROPERTY. The commission
7 may order port ~~[authority]~~ property sold as provided in Section
8 60.101, Water Code, if the property is not considered reasonably
9 required to carry out the port's ~~[authority's]~~ plans.

10 Sec. 5012.0108. GENERAL AUTHORITY TO MAKE CONTRACTS AND
11 EXECUTE INSTRUMENTS. The port ~~[authority]~~ may make a contract or
12 execute an instrument necessary or convenient to exercising a
13 power, right, privilege, or function conferred on the port
14 ~~[authority]~~ by this chapter.

15 SECTION 11. The heading to Section 5012.0109, Special
16 District Local Laws Code, is amended to read as follows:

17 Sec. 5012.0109. PURCHASES AND ~~[COMPETITIVE BIDDING FOR~~
18 ~~CERTAIN]~~ CONTRACTS.

19 SECTION 12. Section 5012.0109(a), Special District Local
20 Laws Code, is amended to read as follows:

21 (a) The commission may make purchases and contracts as
22 provided by Subchapters N and O, Chapter 60, Water Code ~~[Before the~~
23 ~~commission enters into a contract for the expenditure of an amount~~
24 ~~of \$25,000 or more, the authority shall submit the proposed~~
25 ~~contract for competitive bids as provided by this section].~~

26 SECTION 13. Sections 5012.0110, 5012.0111, 5012.0112, and
27 5012.0151, Special District Local Laws Code, are amended to read as

1 follows:

2 Sec. 5012.0110. OFFICERS, AGENTS, AND EMPLOYEES. The port
3 ~~[authority]~~ may employ, prescribe the duties of, and set the
4 compensation of officers, agents, and employees.

5 Sec. 5012.0111. SEAL. The port ~~[authority]~~ may adopt and
6 use a corporate seal.

7 Sec. 5012.0112. AUTHORITY TO SUE AND BE SUED. The port
8 ~~[authority]~~ may sue and be sued in its corporate name.

9 Sec. 5012.0151. MAINTENANCE AND OPERATIONS TAX. The
10 commission may impose an annual tax for the maintenance and
11 operation of the port ~~[authority]~~ and the port's ~~[authority's]~~
12 improvements at a rate not to exceed 20 cents for each \$100
13 valuation of taxable property in the port ~~[authority]~~.

14 SECTION 14. Section 5012.0152(b), Special District Local
15 Laws Code, is amended to read as follows:

16 (b) The tax assessor and collector shall execute a bond in
17 an amount set by the commission that is:

18 (1) at least twice the average daily balance of the
19 port ~~[authority]~~ in its depository for the preceding year; and

20 (2) not more than the estimated amount of revenues of
21 the port ~~[authority]~~ for any year.

22 SECTION 15. Section 5012.0153, Special District Local Laws
23 Code, is amended to read as follows:

24 Sec. 5012.0153. AUTHORITY TO BORROW MONEY, ACCEPT GRANTS,
25 AND ISSUE ASSOCIATED REVENUE BONDS. The port ~~[authority]~~ may:

26 (1) borrow money for the port's ~~[authority's]~~
27 corporate purposes consistent with the constitution, this chapter,

and Chapters 60-63, Water Code;

(2) borrow money or accept a grant from the United States or from a corporation or agency created or designated by the United States and, in connection with the loan or grant, enter into any agreement the United States or the corporation or agency may require; and

(3) make and issue bonds for money borrowed, in the manner provided by this chapter.

SECTION 16. Section 5012.0154(a), Special District Local Laws Code, is amended to read as follows:

(a) The port [~~authority~~] may:

(1) borrow money for current expenses; and

(2) evidence the borrowed money by warrants.

SECTION 17. Sections 5012.0201, 5012.0202, 5012.0203, 5012.0204, and 5012.0205, Special District Local Laws Code, are amended to read as follows:

Sec. 5012.0201. AUTHORITY TO ISSUE BONDS; ELECTION. (a) The port [~~authority~~] may issue bonds for any corporate purpose.

(b) The port [~~authority~~] may issue bonds for a purpose described by Section 5012.0102(1) or to acquire necessary or proper lands, rights of way, extension or improvements of belt railway lines, or construction or improvements of wharves, docks, ship repair facilities, or other facilities or aids to navigation.

(c) The port [~~authority~~] may secure bonds issued under Subsection (b) by liens on properties acquired, constructed, or improved and pledge available revenues as additional security.

(d) An election to approve the issuance of bonds payable

1 from taxes must be held in the manner provided for bond elections
2 under Chapter 1251 [54], Government [~~Water~~] Code.

3 Sec. 5012.0202. FORM OF BONDS. Port [~~Authority~~] bonds must
4 be:

- 5 (1) issued in the port's [~~authority's~~] name; and
6 (2) signed by the commission's presiding officer.

7 Sec. 5012.0203. TERMS OF ISSUANCE. Port [~~Authority~~] bonds
8 may be:

- 9 (1) sold for cash;
10 (2) issued on terms the commission determines in
11 exchange for any property, or any interest in property, that the
12 commission considers necessary or convenient for the corporate
13 purpose for which the bonds are issued; or
14 (3) issued in exchange for like principal amounts of
15 other obligations of the port [~~authority~~], whether matured or
16 unmatured.

17 Sec. 5012.0204. DEPOSIT OF PROCEEDS. The proceeds of sale
18 of port [~~authority~~] bonds shall be deposited in one or more banks or
19 trust companies, and shall be paid out according to the terms on
20 which the port [~~authority~~] and the purchasers of the bonds agree.

21 Sec. 5012.0205. RESOLUTION PROVISIONS. (a) A resolution
22 authorizing bonds may contain provisions approved by the commission
23 that are not inconsistent with this chapter, including provisions:

- 24 (1) reserving the right to redeem the bonds or
25 requiring the redemption of the bonds, at a time, in an amount, and
26 at a price, not to exceed 105 percent of the principal amount of the
27 bonds, plus accrued interest;

1 (2) providing for the setting aside of sinking funds
2 or reserve funds and the regulation and disposition of those funds;

3 (3) securing the payment of the principal of and
4 interest on the bonds and of the sinking fund or reserve fund
5 payments associated with the bonds by pledging:

6 (A) all or any part of the gross or net revenue
7 subsequently received by the port [~~authority~~] with respect to the
8 property to be acquired or constructed with the bonds or the
9 proceeds of the bonds; [~~or~~]

10 (B) all or any part of the gross or net revenue
11 subsequently received by the port [~~authority~~] from any source; or

12 (C) all or any part of any contract payments
13 received by the port, including payments received in lieu of taxes
14 under a tax abatement agreement entered into under Chapter 312, Tax
15 Code;

16 (4) securing the payment of the principal of and
17 interest on the bonds by pledging taxes;

18 (5) prescribing the purposes to which the bonds or any
19 bonds subsequently issued, or the proceeds of the bonds, may be
20 applied;

21 (6) agreeing to set and collect rates and charges
22 sufficient to produce revenue adequate to:

23 (A) pay all expenses necessary to the operation,
24 maintenance, and replacement of and additions to the port's
25 [~~authority's~~] property;

26 (B) pay the principal of, and the interest and
27 premium, if any, on bonds issued under this chapter when the bonds

1 become due and payable;

2 (C) pay all sinking fund or reserve fund payments
3 for those bonds out of those revenues as and when they become due
4 and payable;

5 (D) fulfill the terms of any agreements made with
6 the holders of the bonds or with any person on their behalf; and

7 (E) discharge all other lawful obligations of the
8 port [~~authority~~] as and when the obligations become due;

9 (7) prescribing limitations on the issuance of
10 additional bonds and subordinate lien bonds and on the agreements
11 that may be made with the purchasers and successive holders of those
12 bonds;

13 (8) regarding the construction, extension,
14 improvement, reconstruction, operation, maintenance, and repair of
15 the port's [~~authority's~~] properties and the carrying of insurance
16 on all or any part of those properties covering loss, damage, or
17 loss of use and occupancy resulting from specified risks;

18 (9) setting the procedure by which the port
19 [~~authority~~] may change the terms of a contract with the
20 bondholders, the amount of bonds the holders of which must consent
21 to that change, and the manner in which the consent may be given;
22 and

23 (10) providing for the execution and delivery by the
24 port [~~authority~~] to a bank or trust company authorized by law to
25 accept trusts, or to the United States or any officer of the United
26 States, of indentures and agreements for the benefit of the
27 bondholders setting forth any of the agreements authorized by this

chapter to be made with or for the benefit of the bondholders and any other provisions that are customary in such indentures or agreements.

(b) A provision authorized by this section that is contained in a bond resolution is part of the contract between the port [~~authority~~] and the bondholders.

SECTION 18. Sections 5012.0206(a) and (c), Special District Local Laws Code, are amended to read as follows:

(a) The commission may declare an emergency because money is not available to meet any of the port's [~~authority's~~] needs, including to pay the principal of and interest on port [~~authority~~] bonds.

(c) Bond anticipation notes issued by the port [~~authority~~] must be taken up with the proceeds of the bonds, or the bonds may be issued and delivered in exchange for the bond anticipation notes.

SECTION 19. Section 5012.0207, Special District Local Laws Code, is amended to read as follows:

Sec. 5012.0207. REFUNDING BONDS. (a) The port [~~authority~~] may make and issue bonds for the purpose of refunding or refinancing outstanding bonds authorized and issued by the port [~~authority~~] under this chapter or other law and the interest and any premium on the bonds to maturity or on any earlier redemption date specified in the resolution authorizing the issuance of the refunding bonds.

(b) Refunding bonds issued by the port [~~authority~~] may:

(1) be issued to refund more than one series of outstanding bonds;

(2) combine the pledges of the outstanding bonds for

1 the security of the refunding bonds; or

2 (3) be secured by other or additional revenue.

3 (c) The provisions of this chapter regarding the issuance of
4 bonds, the terms and provisions of bonds, and the remedies of the
5 bondholders apply to refunding bonds issued by the port
6 ~~[authority]~~.

7 (d) The comptroller shall register the refunding bonds
8 issued by the port ~~[authority]~~ on the surrender and cancellation of
9 the bonds to be refunded.

10 (e) Instead of issuing bonds to be registered on the
11 surrender and cancellation of the bonds to be refunded, the port
12 ~~[authority]~~, in the resolution authorizing the issuance of
13 refunding bonds, may provide for the sale of the refunding bonds and
14 the deposit of the proceeds at the places at which the bonds to be
15 refunded are payable. In that case, the refunding bonds may be
16 issued in an amount sufficient to pay the interest and premium, if
17 any, on the bonds to be refunded to the bonds' maturity date or
18 specified earlier redemption date, and the comptroller shall
19 register the refunding bonds without the concurrent surrender and
20 cancellation of the bonds to be refunded.

21 (f) The port ~~[authority]~~ may also refund outstanding bonds
22 in the manner provided by Chapters 60-63, Water Code.

23 SECTION 20. Sections 5012.0109(b), (c), and (d), Special
24 District Local Laws Code, are repealed.

25 SECTION 21. (a) The Port of Sabine Pass shall hold an
26 election to elect five commissioners as described by Section
27 5012.0051, Special District Local Laws Code, as amended by this

1 Act, on the uniform election date in May 2026.

2 (b) The terms of the commissioners serving on the commission
3 of the Port of Sabine Pass on the effective date of this Act expire
4 on the date the commissioners elected under Subsection (a) of this
5 section have qualified.

6 (c) At the first meeting of the commissioners of the Port of
7 Sabine Pass that follows the election held under Subsection (a) of
8 this section, the five commissioners elected shall draw lots to
9 determine which three commissioners serve an initial term of two
10 years, and which two commissioners serve a term of four years.

11 SECTION 22. (a) The legal notice of the intention to
12 introduce this Act, setting forth the general substance of this
13 Act, has been published as provided by law, and the notice and a
14 copy of this Act have been furnished to all persons, agencies,
15 officials, or entities to which they are required to be furnished
16 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
17 Government Code.

18 (b) The governor, one of the required recipients, has
19 submitted the notice and Act to the Texas Commission on
20 Environmental Quality.

21 (c) The Texas Commission on Environmental Quality has filed
22 its recommendations relating to this Act with the governor, the
23 lieutenant governor, and the speaker of the house of
24 representatives within the required time.

25 (d) All requirements of the constitution and laws of this
26 state and the rules and procedures of the legislature with respect
27 to the notice, introduction, and passage of this Act are fulfilled

1 and accomplished.

2 SECTION 23. This Act takes effect September 1, 2025.