

BILL ANALYSIS

S.B. 553
By: Janek
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Senate Bill 553 validates the acts and proceedings of the governing boards of navigation districts and public port authorities to avoid frivolous lawsuits and ensure the timely completion of projects.

Legislation equivalent to SB 553 has passed the Legislature four other sessions. This type of legislation is similar to that passed by Texas cities. SB 553 would prevent work stoppage on projects otherwise hampered by minor technicalities. Validating technical errors in proceedings avoids frivolous lawsuits and ensures the timely completion of projects. Without this protection, port contracts can be voided and projects stopped, likely resulting in litigation. In addition, it is plausible that SB 553 would further assist ports through lower insurance costs and improved credit ratings. SB 553 affects actions taken before March 1, 2003; however, SB 553 does not pertain to pending litigation or criminal acts.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Section 1. DEFINITION: defines Texas ports as any Texas public port authority.

Section 2. VALIDATION: this Act validates and confirms the following:

- (1) any act or governmental proceeding prior to March 1, 2003, not previously excepted;
- (2) any elected or appointed commissioner or other official of a port prior to effective date of this Act not previously excepted;
- (3) any bond or other obligation prior to effective date of this Act not previously excepted, including any proceeding taken prior to the effective date of this Act and related to such bond or other obligation, regardless of whether such bond or other obligation is:
 - (A) payable from tax revenue or otherwise; or
 - (B) issued on or before the effective date of this Act.

Section 3. APPLICABILITY: (a) This Act excludes the following:

- (1) litigation pending as of the effective date of this Act;
- (2) acts or proceedings related to conveyances by ports of real property transferred to a port by the State if the

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- (3) any bond or other obligation prior to effective date of this Act not previously excepted, including any proceeding taken prior to the effective date of this Act and related to such bond or other obligation, regardless of whether such bond or other obligation is:
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RULEMAKING AUTHORITY

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 - (A) payable from tax revenue or otherwise; or
 - (B) issued on or before the effective date of this Act.

Section 3. APPLICABILITY: (a) This Act excludes the following:

- (1) litigation pending as of the effective date of this Act;
- (2) acts or proceedings related to conveyances by ports of real property transferred to a port by the State if the

conveyance violated a restriction or condition to the transfer;

- (3) acts or proceedings in violation of TEX. WATER CODE § 61.117, relating to state retention of mineral rights on land leased to ports.

(b) This Act does not validate criminal acts.

EFFECTIVE DATE

September 1, 2003

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