

## **BILL ANALYSIS**

S.B. 1836  
By: Jackson, Mike  
Transportation  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Current law clearly grants a city certain enumerated powers with respect to port improvement and facilities. Current law also provides that in matters not governed by the laws that regulate a board of trustees the board is governed by the same rules that are applicable to the city; however, current law does not explicitly enumerate certain powers that may be exercised by a board. Currently, the Port of Galveston (port) has no explicit authority to administer economic development programs, the competitive bidding threshold is set at \$15,000, and no law explicitly addresses the validation of actions taken by a board of trustees. Furthermore, legal challenges were recently made against the port arising from the vague nature of the port's powers with respect to management and control of its improvements and facilities.

As proposed, S.B. 1836 clarifies the powers of the Port of Galveston with respect to management and control of port improvements and facilities and extends municipal economic development powers to the port to enable the port to establish economic development programs. S.B. 1836 also modifies the competitive bidding threshold from \$15,000 to \$25,000, which is consistent with current statutory authority for home rule municipalities. The bill adds validation language specifically applicable to the port and patterned after the validation language that currently governs municipalities.

### **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. Amends Section 54.053, Transportation Code, by amending Subsection (b) and adding Subsections (c) and (d), as follows:

(b) Provides that, in addition to other powers a board of trustees is authorized to exercise, such a board is authorized to construct, lease, improve, enlarge, extend, repair, maintain, replace, develop, or operate a port improvement or facility and exercise all powers of a municipality relating to the creation of an economic development program under Chapter 380 (Miscellaneous Provisions Relating to Municipal Planning and Development), Local Government Code, for the purpose of making grants and loans in the list of activities. Makes conforming changes.

(c) Provides that a board has the power to construct a port improvement or facility on land acquired by purchase, lease, or otherwise. Authorizes a board to convey by lease, sublease, or sale by installment or otherwise on the terms the board determines to be advantageous, the land, interest in the land, or port improvement or facility.

(d) Provides that each power provided by this section is a public and governmental function, is exercised for a public purpose, and is a matter of public necessity.

SECTION 2. Amends Section 54.054(a), Transportation Code, to authorize the board to award a contract involving the expenditure of more than \$25,000, rather than \$15,000, only by competitive bidding, except as otherwise provided by this chapter.

SECTION 3. Amends Subchapter B, Chapter 54, Transportation Code, by adding Section 54.056, as follows:

Sec. 54.056. BOARD ACT OR PROCEEDING PRESUMED VALID. (a) Provides that a governmental act or proceeding of a board is conclusively presumed, as of the date it occurred, to be valid and to have occurred in accordance with all applicable law if certain conditions are met.

(b) Provides that this section does not apply to certain acts or proceedings and certain matters.

SECTION 4. Effective date: September 1, 2007.

**EFFECTIVE DATE**

September 1, 2007.