

AN ACT

relating to the powers and duties of navigation districts, port authorities, and certain municipalities.

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

SECTION 1. Sections 271.181(2) and (6), Local Government Code, are amended to read as follows:

(2) "Civil works project" means:

(A) roads, streets, bridges, utilities, water supply projects, water plants, wastewater plants, water distribution and wastewater conveyance facilities, desalination projects, wharves, docks, navigation channels, dredge material placement areas, airport runways and taxiways, storm drainage and flood control projects, or transit projects;

(B) types of projects or facilities related to those described by Paragraph (A) and associated with civil engineering construction; and

(C) buildings or structures that are incidental to projects or facilities that are described by Paragraphs (A) and (B) and that are primarily civil engineering construction projects.

(6) "Local governmental entity" means a municipality, a county, a river authority, a defense base development authority established under Chapter 379B, a board of trustees under Chapter 54, Transportation Code, a municipally owned water utility with a separate governing board appointed by the governing body of a

1 municipality, or any other special district or authority authorized  
2 by law to enter into a public works contract for a civil works  
3 project. The term does not include a regional tollway authority  
4 created under Chapter 366, Transportation Code, a regional mobility  
5 authority created under Chapter 370, Transportation Code, or a  
6 water district or authority created under Section 52, Article III,  
7 or Section 59, Article XVI, Texas Constitution, with a population  
8 of less than 50,000.

9 SECTION 2. Section 271.182, Local Government Code, as  
10 amended by Chapters 135 (S.B. 1047) and 725 (S.B. 229), Acts of the  
11 81st Legislature, Regular Session, 2009, is reenacted and amended  
12 to read as follows:

13 Sec. 271.182. APPLICABILITY. (a) This subchapter applies  
14 to:

15 (1) a local governmental entity with a population of  
16 more than 100,000 within its geographic boundaries or service area;

17 (2) a board of trustees under Chapter 54,  
18 Transportation Code; and

19 (3) [~~.(c) This subchapter applies to~~] a municipally  
20 owned combined electric, water, and wastewater utility situated in  
21 an economically distressed area and located within 30 miles of the  
22 Lower Texas Gulf Coast.

23 (b) For purposes of Subsection (a), [~~For this subchapter,~~]  
24 "combined" means that the utilities are managed and controlled by  
25 one board whose members are appointed by the governing body of the  
26 municipality and that the financing of capital improvements is  
27 secured from the revenue [~~revenues~~] of all three utilities.

1 SECTION 3. Sections 271.186(a) and (b), Local Government  
2 Code, are amended to read as follows:

3 (a) During the first four years that this subchapter applies  
4 to a local governmental entity under Section 271.182:

5 (1) a local governmental entity with a population of  
6 500,000 or more may, under this subchapter, enter into contracts  
7 for not more than three projects in any fiscal year;

8 (2) a local governmental entity with a population of  
9 100,000 or more but less than 500,000 or a board of trustees under  
10 Chapter 54, Transportation Code, may, under this subchapter, enter  
11 into contracts for not more than two projects in any fiscal year;  
12 and

13 (3) a municipally owned water utility with a separate  
14 governing board appointed by the governing body of a municipality  
15 with a population of 500,000 or more may:

16 (A) independently enter into a contract for not  
17 more than one civil works project in any fiscal year; and

18 (B) enter into contracts for additional civil  
19 works projects in any fiscal year, but not more than the number of  
20 civil works projects prescribed by the limit in Subdivision (1) for  
21 the municipality, provided that:

22 (i) the additional contracts for the civil  
23 works projects entered into by the utility under this paragraph are  
24 allocated to the number of contracts the municipality that appoints  
25 the utility's governing board may enter under Subdivision (1); and

26 (ii) the governing body of the municipality  
27 must approve the contracts.

1 (b) After the period described by Subsection (a):

2 (1) a local governmental entity with a population of  
3 500,000 or more may, under this subchapter, enter into contracts  
4 for not more than six projects in any fiscal year;

5 (2) a local governmental entity with a population of  
6 100,000 or more but less than 500,000 or a board of trustees under  
7 Chapter 54, Transportation Code, may, under this subchapter, enter  
8 into contracts for not more than four projects in any fiscal year;  
9 and

10 (3) a municipally owned water utility with a separate  
11 governing board appointed by the governing body of a municipality  
12 with a population of 500,000 or more may:

13 (A) independently enter into contracts for not  
14 more than two civil works projects in any fiscal year; and

15 (B) enter into contracts for additional civil  
16 works projects in any fiscal year, but not more than the number of  
17 civil works projects prescribed by the limit in Subdivision (1) for  
18 the municipality, provided that:

19 (i) the additional contracts for the civil  
20 works projects entered into by the utility under this paragraph are  
21 allocated to the number of contracts the municipality that appoints  
22 the utility's governing board may enter under Subdivision (1); and

23 (ii) the governing body of the municipality  
24 must approve the contracts.

25 SECTION 4. Section 60.031, Water Code, is amended to read as  
26 follows:

27 Sec. 60.031. APPLICATION OF SUBCHAPTER. (a) The

1 provisions of this subchapter shall apply to:

2 (1) any district not participating with the United  
3 States in a navigation project; or

4 (2) a district participating with the United States in  
5 a navigation project if the commission by resolution adopts:

6 (A) this subchapter; or

7 (B) sections of this subchapter under which the  
8 district will operate.

9 (b) For the purposes of Subsection (a)(2), a district that  
10 contracts with the United States for a navigation project under  
11 Subchapter F is considered to be participating with the United  
12 States in a navigation project while the contract is in effect.

13 SECTION 5. Section 60.038(b), Water Code, is amended to  
14 read as follows:

15 (b) Before a district may sell land, the commission shall  
16 determine by resolution that the land is no longer [~~Land which is~~  
17 ~~sold or leased shall be declared surplus land and shall not be~~]  
18 needed for use by the district in connection with the development of  
19 a navigation project.

20 SECTION 6. Section 60.039, Water Code, is amended to read as  
21 follows:

22 Sec. 60.039. SURFACE LEASE [~~FOR NOT MORE THAN 30 YEARS~~].

23 (a) The commission may lease the surface of land for not more than  
24 30 years by the entry of an order on the minutes of the commission  
25 and the execution of a lease in the manner provided by the original  
26 order. The lease may not be extended beyond the 30-year period by  
27 renewal, extension, or otherwise.

1       (b) The commission or the executive director of the  
2 district, or a person authorized by the commission or the executive  
3 director, may enter into a lease for a monthly tenancy or a tenancy  
4 from month to month. The lease term may only exceed one year if:

- 5               (1) the commission enters an order on the minutes; and  
6               (2) the execution of the lease is in the manner  
7 provided by the original order for the lease.

8       SECTION 7. Subchapter D, Chapter 60, Water Code, is amended  
9 by adding Section 60.0725 to read as follows:

10       Sec. 60.0725. NUISANCES; POLLUTION. The commission may  
11 suppress and prevent nuisances, pollution, and improper disposal of  
12 materials on any district property to:

- 13               (1) accomplish the purposes stated in Section 60.071;  
14               (2) protect other district property; or  
15               (3) promote the health, safety, and general welfare of  
16 persons using other district property.

17       SECTION 8. Section 60.101, Water Code, is amended by  
18 amending Subsection (b) and adding Subsections (c) and (d) to read  
19 as follows:

20       (b) To the extent that the district incurs indebtedness,  
21 [~~+~~]bonded or otherwise,[+] for purposes of financing the above  
22 facilities which in turn are sold by installment sale or otherwise,  
23 the [~~said~~] indebtedness, principal and interest, may be paid only  
24 from the loan [~~+~~]or bond sale~~[+]~~ proceeds and from revenues  
25 generated from the project financed by the indebtedness, and  
26 security for payment of the principal of and interest on [~~said~~]  
27 indebtedness shall be limited to a pledge of the project's revenues

1 and the project's facilities including enlargements and additions  
2 [~~thereafter made~~].

3 (c) An installment sale under this section is not a loan of  
4 the district's credit or a grant of public money.

5 (d) A district may contract with a broker to sell a tract of  
6 land in the same manner as the commissioners court of a county under  
7 Section 263.008, Local Government Code.

8 SECTION 9. Section 60.120(a), Water Code, is amended to  
9 read as follows:

10 (a) A district acting under [~~the provisions of~~] this  
11 subchapter may enter into any contract, lease, or agreement  
12 necessary or convenient to carry out any of the powers granted in  
13 this subchapter, including a contract for purchase, lease for  
14 purchase, or other agreement for the use or acquisition of real  
15 property, or improvements to real property or the use or  
16 acquisition of personal property. The contract, lease, or  
17 agreement may be entered into with any person and any government or  
18 governmental agency including the United States, [~~and~~] the State of  
19 Texas, and a public facility corporation organized under Chapter  
20 303, Local Government Code.

21 SECTION 10. Subchapter E, Chapter 60, Water Code, is  
22 amended by adding Section 60.124 to read as follows:

23 Sec. 60.124. GIFTS, GRANTS, AND DONATIONS. A district may  
24 accept a gift, grant, donation, or bequest of money or property from  
25 any source for any district purpose.

26 SECTION 11. Section 60.271(f), Water Code, is amended to  
27 read as follows:

1           (f) The district shall adopt payment procedures consistent  
2 with Section 105.074(g), Local Government Code. The designated  
3 officer of a district may draw a check on a depository only on a  
4 warrant signed by the presiding officer [~~chairman~~] and attested by  
5 the secretary of the district, or by a procedure adopted under this  
6 section.

7           SECTION 12. Section 60.403, Water Code, is amended by  
8 amending Subsection (c) and adding Subsection (e) to read as  
9 follows:

10           (c) One original, photocopy, or electronic copy of the  
11 purchase order shall be [~~A purchase order must be executed in~~  
12 ~~duplicate with one copy~~] delivered to the person from whom the  
13 purchase is made and one original, photocopy, or electronic copy  
14 shall be retained [~~remaining~~] on file in the district or port  
15 authority in accordance with Subtitle C, Title 6, Local Government  
16 Code.

17           (e) A district may establish an electronic requisition  
18 system to perform some or all of the functions required by  
19 Subsections (b), (c), and (d). An electronic requisition system  
20 established under this subsection must electronically transmit  
21 data to and receive data from the financial system of the district  
22 in a manner that meets professional, regulatory, and statutory  
23 requirements and standards, including those relating to  
24 purchasing, auditing, and accounting.

25           SECTION 13. Section 60.4035(a), Water Code, as amended by  
26 Chapters 415 (H.B. 1972) and 1191 (H.B. 3785), Acts of the 81st  
27 Legislature, Regular Session, 2009, is reenacted to read as



1 follows:

2 (a) Notwithstanding the competitive bidding requirements  
3 and proposal procedures of this subchapter and Subchapter O and the  
4 requirements of Sections 60.408(a), (b), (c), (d), and (e), the  
5 executive director of a district or an officer of a district  
6 authorized in writing by the port commission may make emergency  
7 purchases or contracts or emergency amendments to existing purchase  
8 orders or contracts in an amount that exceeds the amount authorized  
9 under Section 60.403(a) for routine purchases or contracts if  
10 necessary:

11 (1) to preserve or protect the public health and  
12 safety of the residents of the district;

13 (2) to preserve the property of the district in the  
14 case of a public calamity;

15 (3) to repair unforeseen damage to the property of the  
16 district; or

17 (4) to respond to security directives issued by:

18 (A) the federal Department of Homeland Security,  
19 including the Transportation Security Administration;

20 (B) the United States Coast Guard;

21 (C) the federal Department of Transportation,  
22 including the Maritime Administration; or

23 (D) another federal or state agency responsible  
24 for domestic security.

25 SECTION 14. Sections 60.404(a) and (d), Water Code, as  
26 amended by Chapters 415 (H.B. 1972) and 1191 (H.B. 3785), Acts of  
27 the 81st Legislature, Regular Session, 2009, are reenacted to read

1 as follows:

2 (a) If the materials, supplies, machinery, equipment, or  
3 other items to be purchased or contracted for are valued at an  
4 amount greater than the amount authorized under Section 60.403(a)  
5 for routine purchases or contracts, notice shall be published as  
6 provided by this section.

7 (d) The specifications must:

8 (1) describe in detail the item to be acquired;

9 (2) require that bids be sealed;

10 (3) require the attachment to the bid of a certified  
11 check, cashier's check, or bidders bond, if security is required in  
12 connection with the bid; and

13 (4) indicate whether a small business development  
14 program adopted by the port commission of the port authority or  
15 district applies to the purchase and, if so, where a copy of the  
16 program requirements may be obtained.

17 SECTION 15. Section 60.406(a), Water Code, as amended by  
18 Chapters 415 (H.B. 1972) and 1191 (H.B. 3785), Acts of the 81st  
19 Legislature, Regular Session, 2009, is reenacted to read as  
20 follows:

21 (a) Except as otherwise provided by Section 60.4035 or  
22 60.412, before a district or port authority may purchase one or more  
23 items under a contract that will require an expenditure of more than  
24 the amount authorized under Section 60.403(a) for routine purchases  
25 or contracts, the port commission of that district or port  
26 authority must comply with the competitive bidding requirements or  
27 proposal procedures provided by this subchapter or Subchapter O.

1 All bids must be sealed.

2 SECTION 16. Section 60.408(h), Water Code, is amended to  
3 read as follows:

4 (h) One original, photocopy, or electronic copy of a [A]  
5 contract, requisition, or purchase order valued at more than the  
6 amount authorized under Section 60.403(a) for routine purchases or  
7 contracts must be [issued in duplicate with one copy] delivered to  
8 the contractor and one original, photocopy, or electronic copy  
9 shall be retained [remaining] on file with the district or port  
10 authority in accordance with Subtitle C, Title 6, Local Government  
11 Code.

12 SECTION 17. Chapter 60, Water Code, is amended by adding  
13 Subchapter R to read as follows:

14 SUBCHAPTER R. CHARITABLE CONTRIBUTIONS

15 Sec. 60.551. DEFINITIONS. In this subchapter:

16 (1) "Charitable organization" means an organization  
17 that:

18 (A) is organized for charitable purposes under  
19 Chapter 22, Business Organizations Code, or holds a certificate of  
20 authority issued under that chapter;

21 (B) is exempt from taxation under Section 501(a)  
22 of the Internal Revenue Code of 1986 as an organization described in  
23 Section 501(c)(3) of that code and to which contributions are  
24 deductible for income tax purposes under Section 170 of that code;

25 (C) complies with all applicable federal  
26 nondiscrimination law, including Chapter 21, Title 42, United  
27 States Code;

1           (D) complies with all state statutes and rules  
2 relating to charitable organizations;

3           (E) is not a private foundation; and

4           (F) provides funds or programs for eligible  
5 services that directly or indirectly benefit the recipients.

6           (2) "District employee charitable campaign" means a  
7 campaign conducted in communities or areas in which district  
8 employees solicit contributions to an eligible charitable  
9 organization.

10          (3) "Eligible charitable organization" means a  
11 charitable organization eligible to participate in the district  
12 employee charitable campaign as provided by Section 60.561.

13          (4) "Eligible services" means services provided by a  
14 charitable organization that:

15               (A) benefit residents of this state, including  
16 children, youth, adults, elderly individuals, ill or infirm  
17 individuals, or individuals with a mental or physical disability,  
18 and consist of:

19                       (i) human care, medical or other research  
20 in the field of human health, education, social adjustment, or  
21 rehabilitation;

22                       (ii) relief for victims of natural disaster  
23 or other emergencies; or

24                       (iii) assistance to impoverished  
25 individuals in need of food, shelter, clothing, or other basic  
26 needs; or

27           (B) benefit this state, and consist of activities

1 to:

2 (i) safeguard public health and the  
3 environment; or

4 (ii) help solve environmental problems.

5 (5) "Federation or fund" means a fund-raising entity  
6 that:

7 (A) is a charitable organization;

8 (B) acts as an agent for at least five charitable  
9 organizations;

10 (C) is not organized exclusively to solicit  
11 contributions from district employees; and

12 (D) is supported by voluntary contributions by  
13 the public and is:

14 (i) incorporated in this state and has an  
15 established physical presence in this state in the form of an office  
16 or service facility that is staffed at least 20 hours a week; or

17 (ii) incorporated outside this state,  
18 includes at least 10 affiliated charitable organizations, and has  
19 existed at least three years.

20 Sec. 60.552. AUTHORIZATION OF CAMPAIGN. (a) The  
21 commission or the executive director of a district may establish a  
22 program in the district to allow district employees to participate  
23 in a charitable campaign as provided by this subchapter.

24 (b) The commission or executive director of a district may  
25 adopt rules relating to the operation of a district employee  
26 charitable campaign as described in this subchapter.

27 Sec. 60.553. DEDUCTION AUTHORIZED. (a) A district

1 employee may authorize a deduction each pay period from the  
2 employee's salary or wage payment for a charitable contribution as  
3 provided by this subchapter.

4 (b) An authorization must direct the district to distribute  
5 the deducted funds to a participating federation or fund.

6 (c) A deduction under this subchapter must be in the form  
7 prescribed by the district.

8 Sec. 60.554. VOLUNTARY PARTICIPATION. (a) Participation  
9 by a district employee in a state employee charitable campaign is  
10 voluntary. The district shall inform district employees that  
11 deductions are voluntary.

12 (b) The district shall adopt rules establishing a process  
13 for hearing employee complaints regarding coercive activity in a  
14 district employee charitable campaign.

15 Sec. 60.555. DESIGNATION OF AN ELIGIBLE CHARITABLE  
16 ORGANIZATION. (a) A district employee may designate in the  
17 authorization an eligible charitable organization to receive the  
18 deductions.

19 (b) If a district employee does not designate an eligible  
20 charitable organization, the employee's deductions shall be  
21 distributed to each participating federation or fund and eligible  
22 local charitable organization in the proportion that the deductions  
23 designated for that charitable organization bear to the total of  
24 designated deductions in the district employee charitable  
25 campaign.

26 Sec. 60.556. CONFIDENTIALITY. (a) Except as necessary to  
27 administer this subchapter or on written authorization of the

1 employee, the following information is confidential:

2 (1) whether a district employee has authorized a  
3 deduction under this subchapter;

4 (2) the amount of the deduction; and

5 (3) the name of a federation or fund or charitable  
6 organization that a district employee has designated to receive  
7 contributions.

8 (b) The designation of a charitable organization by a  
9 district employee is not confidential if the employee executes a  
10 written pledge card or other document indicating that the employee  
11 wishes to receive an acknowledgement from the charitable  
12 organization.

13 (c) The district shall provide notice to district employees  
14 of the confidentiality provisions described by this section.

15 Sec. 60.557. REVOCATION OR CHANGE OF AUTHORIZATION. (a) A  
16 district employee may revoke or change an authorization by giving  
17 notice to the district.

18 (b) The notice must be in the form and manner prescribed by  
19 the district.

20 (c) A revocation or change takes effect on the date  
21 designated by the district, but not later than the 45th day after  
22 the date the district employee gives notice.

23 Sec. 60.558. DURATION OF DEDUCTION. (a) A deduction under  
24 this subchapter begins on the date designated by the district  
25 employee.

26 (b) A deduction under this subchapter, unless revoked or  
27 changed under Section 60.557, ends on the date designated by the

1 district.

2 Sec. 60.559. FAIR AND EQUITABLE MANAGEMENT OF CAMPAIGN. A  
3 district employee charitable campaign must be managed fairly and  
4 equitably in accordance with this subchapter and the rules,  
5 policies, and procedures established by the district.

6 Sec. 60.560. CAMPAIGN POLICY AND MANAGEMENT. (a) The  
7 executive director of the district shall oversee the district  
8 employee charitable campaign and the district's employees who  
9 conduct the campaign.

10 (b) The executive director of the district and employees  
11 designated by the executive director of the district shall:

12 (1) determine the eligibility of a federation or fund  
13 and its affiliated agencies for participation in the district  
14 employee charitable campaign;

15 (2) develop a campaign plan, budget, and materials to  
16 be used in the campaign;

17 (3) coordinate and facilitate the campaign;

18 (4) ensure that all district employee charitable  
19 campaign activities are conducted fairly and equitably to promote  
20 unified solicitation on behalf of all participants; and

21 (5) perform other duties required by rules relating to  
22 the district employee charitable campaign.

23 Sec. 60.561. ELIGIBILITY OF CHARITABLE ORGANIZATIONS,  
24 FEDERATIONS, AND FUNDS FOR PARTICIPATION. (a) To be eligible to  
25 participate in a district employee charitable campaign, a  
26 charitable organization must:

27 (1) be governed by a voluntary board of citizens that



1 meets at least twice each year to set policy and manage the affairs  
2 of the organization;

3 (2) if the organization's annual budget:

4 (A) does not exceed \$100,000, provide a completed  
5 Internal Revenue Service Form 990 and an accountant's review that  
6 offers full and open disclosure of the organization's internal  
7 operations; or

8 (B) exceeds \$100,000, be audited annually in  
9 accordance with generally accepted auditing standards of the  
10 American Institute of Certified Public Accountants; and

11 (3) not spend more than 25 percent of its annual  
12 revenue for administrative and fund-raising expenses.

13 (b) A federation or fund that seeks participation in a  
14 district employee charitable campaign must apply on behalf of  
15 itself and its affiliated agencies to the district during the  
16 eligibility determination period specified by the district. The  
17 district shall review each application and may approve a federation  
18 or fund for statewide participation only if the federation or fund  
19 qualifies as a charitable organization. The district may approve  
20 an affiliated charitable organization for participation only if the  
21 organization qualifies as a charitable organization.

22 (c) The district may use outside expertise and resources  
23 available to it, and rely on a certification of a charitable  
24 organization, or determination of qualification by a statewide  
25 employee charitable campaign under Section 659.146, Government  
26 Code, to assess the eligibility of a charitable organization that  
27 seeks to participate in a district employee charitable campaign.

1       (d) An appeal from a decision of the district shall be  
2 conducted in the manner prescribed by the commission. The appeals  
3 process must permit a charitable organization that is not approved  
4 for participation to apply for participation in a district employee  
5 charitable campaign.

6       Sec. 60.562. FUND-RAISING PRACTICES. The fund-raising  
7 practices of a participating charitable organization must:

8           (1) be truthful and consumer-oriented; and

9           (2) protect against:

10               (A) unauthorized use of a list of contributors to  
11 the organization;

12               (B) payment of commissions, kickbacks, finder  
13 fees, percentages, bonuses, or overrides for fund-raising;

14               (C) mailing of unordered merchandise or tickets  
15 with a request for money in return; and

16               (D) general phone solicitation of the public.

17       Sec. 60.563. LIMITATION ON USE OF CONTRIBUTIONS. (a) A  
18 participating charitable organization may use contributions under  
19 this subchapter only to provide eligible services or to fund a  
20 charitable organization that provides eligible services.

21       (b) A participating charitable organization may not use  
22 contributions under this subchapter to:

23           (1) directly or indirectly fund litigation; or

24           (2) make expenditures that would require the  
25 organization to register under Chapter 305, Government Code, if the  
26 organization were not an entity exempt from registration under that  
27 chapter.

1       Sec. 60.564. MISAPPLICATION OF CONTRIBUTIONS; AUDIT. (a)

2       The district may obtain an audit of any participating charitable  
3       organization that the district reasonably believes has misapplied  
4       contributions under this subchapter.

5       (b) If an audit under this section reveals gross negligence  
6       or intentional misconduct on the part of a participating charitable  
7       organization, the district shall remove the charitable  
8       organization from the campaign. A charitable organization removed  
9       under this subsection is not eligible to participate in a district  
10       employee charitable campaign before the fifth anniversary of the  
11       date the charitable organization was removed.

12       (c) If an audit under this section reveals intentional  
13       misconduct on the part of a charitable organization, the district  
14       shall forward its findings to the appropriate law enforcement  
15       agency.

16       (d) The district may bring an action to recover misapplied  
17       contributions.

18       (e) If an investigation or lawsuit results in a recovery of  
19       misapplied contributions and there is not a judgment distributing  
20       the amounts recovered, the district shall determine the manner of  
21       refunding contributions to the appropriate district employees.

22       SECTION 18. Section 61.164(c), Water Code, is amended to  
23 read as follows:

24       (c) No franchise shall be granted until notice [~~after the~~  
25 ~~franchise in its final form~~] is published [~~in full~~] at the expense  
26 of the applicant, once a week for three consecutive weeks in a daily  
27 newspaper of general circulation published inside the district.

1 For the purposes of this subsection, notice consists of:

2 (1) the text of the franchise in full; or

3 (2) a descriptive caption stating the purpose of the  
4 franchise and the location at which a complete copy of the franchise  
5 may be obtained.

6 SECTION 19. Sections 62.107(a) and (c), Water Code, are  
7 amended to read as follows:

8 (a) Any district created under this chapter may acquire by  
9 gift, purchase, or condemnation and may own land adjacent or  
10 accessible to the navigable water and ports developed by it which  
11 may be necessary or required for any and all purposes incident to or  
12 necessary for the development and operation of the navigable water  
13 or ports within the district, or may be necessary or required for or  
14 in aid of the development of industries and businesses on the land.

15 (c) The acquisition of land for the purposes included in  
16 this section and the operation and industrial and business  
17 development of ports and waterways are a public purpose and a matter  
18 of public necessity.

19 SECTION 20. Section 62.122, Water Code, is amended to read  
20 as follows:

21 Sec. 62.122. DISPOSITION OF SALVAGE OR SURPLUS PERSONAL  
22 PROPERTY. (a) Except as provided by Subsection (b), the [~~The~~  
23 commission may periodically dispose of surplus or salvage personal  
24 property in the same manner as the commissioners court of a county  
25 under Subchapter D, Chapter 263, Local Government Code.

26 (b) The commission may authorize the destruction or  
27 disposition of salvage or surplus property as worthless if the

1 property is so worn, damaged, or obsolete that it has no value for  
2 the purpose for which it was originally intended, and the expense to  
3 the district to attempt to sell the property would be more than the  
4 proceeds from the sale.

5 SECTION 21. Section 63.178(c), Water Code, is amended to  
6 read as follows:

7 (c) Before the franchise is granted, the commission must  
8 approve the franchise by a majority vote at three separate meetings  
9 held at least one week apart and must publish notice. For the  
10 purposes of this subsection, notice must be published [~~the~~  
11 ~~franchise in full,~~] at the expense of the applicant, once a week for  
12 three consecutive weeks in a newspaper published in the district.  
13 The notice must consist of:

- 14 (1) the text of the franchise in full; or  
15 (2) a descriptive caption stating the purpose of the  
16 franchise and the location at which a complete copy of the franchise  
17 may be obtained.

18 SECTION 22. Chapter 97, Acts of the 40th Legislature, 1st  
19 Called Session, 1927, is amended by adding Section 9 to read as  
20 follows:

21 Sec. 9. SUNSET REVIEW. (a) The Port of Houston Authority  
22 is subject to review under Chapter 325, Government Code (Texas  
23 Sunset Act), as if it were a state agency but may not be abolished  
24 under that chapter. The review shall be conducted as if the  
25 authority were scheduled to be abolished September 1, 2013.

26 (b) The reviews must assess the authority's governance,  
27 management, and operating structure, and the authority's

1 compliance with legislative requirements.

2 (c) The authority shall pay the cost incurred by the Sunset  
3 Advisory Commission in performing a review of the authority under  
4 this section. The Sunset Advisory Commission shall determine the  
5 cost, and the authority shall pay the amount promptly on receipt of  
6 a statement from the Sunset Advisory Commission detailing the cost.

7 (d) This section expires September 1, 2013.

8 SECTION 23. This Act applies only to a contract entered into  
9 on or after the effective date of this Act. A contract entered into  
10 before the effective date of this Act is covered by the law in  
11 effect when the contract was entered into, and the former law is  
12 continued in effect for that purpose.

13 SECTION 24. To the extent of any conflict, this Act prevails  
14 over another Act of the 82nd Legislature, Regular Session, 2011,  
15 relating to nonsubstantive additions to and corrections in enacted  
16 codes.

17 SECTION 25. Section 60.465, Water Code, is repealed.

18 SECTION 26. This Act takes effect immediately if it  
19 receives a vote of two-thirds of all the members elected to each  
20 house, as provided by Section 39, Article III, Texas Constitution.  
21 If this Act does not receive the vote necessary for immediate  
22 effect, this Act takes effect September 1, 2011.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2770 was passed by the House on May 3, 2011, by the following vote: Yeas 144, Nays 0, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 2770 on May 27, 2011, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 2770 on May 29, 2011, by the following vote: Yeas 147, Nays 0, 1 present, not voting.

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Chief Clerk of the House

H.B. No. 2770

I certify that H.B. No. 2770 was passed by the Senate, with amendments, on May 24, 2011, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 2770 on May 29, 2011, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor