

1-1 By: Bonnen of Brazoria (Senate Sponsor - Whitmire) H.B. No. 1642  
 1-2 (In the Senate - Received from the House April 15, 2013;  
 1-3 April 17, 2013, read first time and referred to Committee on  
 1-4 Transportation; May 3, 2013, reported adversely, with favorable  
 1-5 Committee Substitute; May 3, 2013, recommitted to Committee on  
 1-6 Administration; May 6, 2013, reported adversely, with favorable  
 1-7 Committee Substitute by the following vote: Yeas 5, Nays 0;  
 1-8 May 6, 2013, sent to printer.)

1-9 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-10				
1-11	X			
1-12			X	
1-13			X	
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 1642 By: Whitmire

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the Port of Houston Authority.  
 1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-23 SECTION 1. Subtitle A, Title 5, Special District Local Laws  
 1-24 Code, is amended by adding Chapter 5007 to read as follows:  
 1-25 CHAPTER 5007. PORT OF HOUSTON AUTHORITY OF HARRIS COUNTY, TEXAS  
 1-26 SUBCHAPTER A. GENERAL PROVISIONS  
 1-27 Sec. 5007.001. DEFINITIONS. In this chapter:  
 1-28 (1) "Authority" means the Port of Houston Authority of  
 1-29 Harris County, Texas.  
 1-30 (2) "Executive director" means the executive director  
 1-31 of the authority.  
 1-32 (3) "Port commission" means the navigation and canal  
 1-33 commission of the authority.  
 1-34 (4) "Port commissioner" means a member of the port  
 1-35 commission.  
 1-36 SECTION 2. Sections 1 and 7, Chapter 97, Acts of the 40th  
 1-37 Legislature, 1st Called Session, 1927, are transferred to  
 1-38 Subchapter A, Chapter 5007, Special District Local Laws Code, as  
 1-39 added by this Act, redesignated as Sections 5007.002 and 5007.003,  
 1-40 Special District Local Laws Code, and amended to read as follows:  
 1-41 Sec. 5007.002 [1]. CREATION OF DISTRICT; VALIDATION;  
 1-42 TERRITORY. (a) That the Harris County Houston Ship Channel  
 1-43 Navigation District of Harris County, Texas, in Harris County, as  
 1-44 hereinafter described by metes and bounds, is hereby created and  
 1-45 established under authority of Article 3, Section 52, of the  
 1-46 Constitution of the State of Texas, for the purpose of the  
 1-47 development of deep water navigation and the improvement of rivers,  
 1-48 bays, creeks, streams, and canals within or adjacent to the  
 1-49 authority [~~such District~~], and to construct and maintain canals or  
 1-50 waterways to permit [~~of~~] navigation or in aid thereof and for the  
 1-51 purpose of and authority to acquire, purchase, undertake, construct  
 1-52 [~~construct~~], maintain, operate, develop, and regulate wharves,  
 1-53 docks, warehouses, grain elevators, bunkering facilities, belt  
 1-54 railroads, floating plants, lighterage, lands, towing facilities,  
 1-55 and all other facilities or aids incident to or necessary to the  
 1-56 operation or development of ports or waterways within the authority  
 1-57 [~~said District~~] and extending to the Gulf of Mexico, as provided in  
 1-58 Chapter 9 of the Revised Statutes of 1925; and all orders of the  
 1-59 Commissioners' Court of Harris County, Texas, and of the Navigation  
 1-60 Commissioners, heretofore made in respect to the creation of such

2-1 authority [~~District~~] and the authorization and issuance of the  
 2-2 bonds of said authority [~~District and particularly an issue of One~~  
 2-3 ~~Million Five Hundred Thousand (\$1,500,000.00) Dollars of bonds~~  
 2-4 ~~voted at an election under date of December 4, 1926, be and the~~  
 2-5 ~~same~~] are hereby in all things ratified, confirmed, and validated.

2-6 (b) The authority [~~said Harris County Houston Ship Channel~~  
 2-7 ~~Navigation District of Harris County, Texas,~~] herenow created and  
 2-8 established after consideration of the benefits to the property  
 2-9 therein located, is described by metes and bounds as follows,  
 2-10 to-wit:-

2-11 Beginning at the entrance to Clear Creek into Galveston Bay;  
 2-12 thence running up said creek with the line of Galveston and Brazoria  
 2-13 Counties to a point on S. G. Haynie's survey 372 varas S. 62 degrees  
 2-14 32 minutes E. from its west line; thence N. 62 degrees 32 minutes W.  
 2-15 12 miles 318 varas to the head of Brays Bayou; thence N. 56 degrees  
 2-16 30 minutes W. 15 miles 1455 1/2 varas to the old crossing of Buffalo  
 2-17 Bayou; thence with the line of Waller County in a straight line to  
 2-18 the head of creek; thence down the same with its meanders to the San  
 2-19 Jacinto River; thence N. 50 degrees east to the western line of  
 2-20 Liberty County; thence with said line to the head of Cedar Bayou;  
 2-21 thence down said bayou to its mouth; thence following the boundary  
 2-22 line of Harris County to the mouth of Clear Creek, the place of  
 2-23 beginning.

2-24 Sec. 5007.003 [7]. AUTHORITY TO ISSUE BONDS. The authority  
 2-25 [~~Harris County Houston Ship Channel Navigation District of Harris~~  
 2-26 ~~County, Texas,~~] is authorized and empowered to issue in direct  
 2-27 conformity with the Constitution and the laws of this State as and  
 2-28 when necessary such bonds as may be voted from time to time by the  
 2-29 [~~requisite two-thirds majority of the resident property tax paying~~]  
 2-30 voters voting at any election when called and conducted in direct  
 2-31 conformity with the Constitution and laws of Texas and to issue and  
 2-32 sell the same subject to such provisions of the Constitution and  
 2-33 laws of this State as may be in effect at the time, and subject to  
 2-34 the approval of the Attorney General.

2-35 SECTION 3. Sections 1 through 8, Chapter 292, Acts of the  
 2-36 40th Legislature, Regular Session, 1927, are transferred to  
 2-37 Subchapter A, Chapter 5007, Special District Local Laws Code, as  
 2-38 added by this Act, redesignated as Sections 5007.004 and 5007.005,  
 2-39 Special District Local Laws Code, and amended to read as follows:

2-40 Sec. 5007.004 [4]. GRANT OF TITLE TO CERTAIN ISLANDS AND  
 2-41 OTHER LAND; RELATED POWERS AND DUTIES; RIPARIAN LANDOWNERS;  
 2-42 RESERVATION OF CERTAIN STATE RIGHTS AND POWERS. (a) That all  
 2-43 right, title and interest of the State of Texas, to all lands  
 2-44 hereinafter in this section described, to wit:

2-45 All islands and lands owned by the State of Texas, many of  
 2-46 which are subject to overflow, known as Barnes Island, Alexander  
 2-47 Island, Goat Island, Diamond Island and Hog Island in San Jacinto  
 2-48 River above Lynchburg [~~Lynchburg~~], and certain accretions formed by  
 2-49 dredged material excavated from the channel and forming land  
 2-50 attached to or near said Alexander Island, Hog Island between Goose  
 2-51 Creek and Morgan Point, Atkinson Island, and all the submerged  
 2-52 lands lying and being situated under the waters of Buffalo Bayou,  
 2-53 San Jacinto River, White Oak Bayou, Bray's Bayou, Simms Bayou,  
 2-54 Vines Bayou, Hunting Bayou, Greens Bayou, Carpenters Bayou, Old  
 2-55 River, Lost River, Goose Creek and Cedar Bayou, and all other  
 2-56 streams within the authority [~~Harris County Navigation District~~]  
 2-57 tributary to the Houston Ship Channel, so far up said streams as the  
 2-58 State may own same, together with all lands lying and being situated  
 2-59 under the waters of Old River, Burnett's Bay, Crystal Lake, Scott's  
 2-60 Bay, Peggy's Lake, Black Duck Bay, Tabbs Bay and San Jacinto Bay,  
 2-61 and all other tidal flats or overflow land adjacent to or  
 2-62 appurtenant to the above mentioned streams within the limits above  
 2-63 mentioned except Mitchell's Bay and any area between said bay and  
 2-64 the Houston Ship Channel, as now or hereafter located, is hereby  
 2-65 granted to the authority [~~Harris County Houston Ship Channel~~  
 2-66 ~~Navigation District~~], or its successors, for public purposes and  
 2-67 for the development of commerce only, in accordance with the  
 2-68 following provisions and stipulations herein contained; provided  
 2-69 that inasmuch as it is the purpose of this section [~~Act~~] to grant

3-1 said lands to the public agency which is developing the Port of  
 3-2 Houston, upon the creation by legislation of other public agency  
 3-3 which shall supersede the authority [~~said navigation district~~] as  
 3-4 the public agency developing the Port of Houston, the title to said  
 3-5 lands shall be transferred from the authority [~~navigation district~~]  
 3-6 to such public agency, either municipal or State, so provided, such  
 3-7 public agency being referred to herein as the successors  
 3-8 [~~successors~~] of the authority [~~navigation district~~].

3-9 (b) [~~Sec. 2.~~] The authority [~~navigation district~~], or its  
 3-10 successors, is hereby granted the right, power and authority to  
 3-11 authorize, establish, construct, purchase, own, maintain, equip,  
 3-12 regulate, operate and lease wharves, piers, docks, dry docks,  
 3-13 marine ways and all other structures and appliances for  
 3-14 facilitating or accommodating [~~accomodating~~] commerce or  
 3-15 navigation, and to dredge out channels, slips and turning basins,  
 3-16 and to fill in space between the main land and islands and to fill  
 3-17 areas for wharves, piers, docks, dry docks, marine ways and for all  
 3-18 other structures and appliances for facilitating and accommodating  
 3-19 [~~accomodating~~] commerce and navigation, having first secured a  
 3-20 permit from the Government of the United States of America  
 3-21 therefor, and to construct, or cause or authorize to be constructed  
 3-22 on said wharves, piers, docks, dry docks, marine ways and other  
 3-23 structures and appliances for facilitating and accommodating  
 3-24 [~~accomodating~~] commerce and navigation, or on lands so filled in,  
 3-25 any and all elevators, warehouses, bunkers, railway terminals and  
 3-26 sidetracks, or any other facilities or aids whatsoever to  
 3-27 navigation or commerce. Said lands shall be used by the authority  
 3-28 [~~navigation district~~], or its successors, solely for the  
 3-29 establishment, improvement and conduct of an harbor and for the  
 3-30 construction, maintenance and operation thereon of any facilities  
 3-31 or aids whatsoever to the same, and the authority [~~said navigation~~  
 3-32 ~~district~~], or its successors, shall not at any time, grant, convey,  
 3-33 give or alien said lands or any part thereof, to any individual,  
 3-34 firm or corporation for any purpose whatsoever; provided, that the  
 3-35 authority [~~said navigation district~~], or its successors, may grant  
 3-36 franchises thereon for limited periods of time for wharves, and  
 3-37 other public uses and purposes, and may lease said lands or any part  
 3-38 thereof for limited periods for purposes consistent with this  
 3-39 chapter [~~Act~~], but no wharves, piers or structures of any kind shall  
 3-40 be constructed on said lands by anyone save the authority  
 3-41 [~~navigation district~~], except under a franchise granted by the  
 3-42 authority [~~said navigation district~~] and in a manner first  
 3-43 prescribed by and approved of by the authority [~~said navigation~~  
 3-44 ~~district~~] or its successors.

3-45 (c) [~~Sec. 3.~~] For the purpose of carrying out the  
 3-46 provisions of this section [~~Act~~], the authority [~~navigation~~  
 3-47 ~~district~~], or its successors, is hereby granted the right, power  
 3-48 and authority to abate and remove any and all encroachments or  
 3-49 structures of any kind now or hereafter existing on said property,  
 3-50 save such as may have been constructed under permit from the United  
 3-51 States War Department, or other proper Federal authority, and shall  
 3-52 have the right to bring such suit or suits as may be necessary to  
 3-53 carry out the provisions of this section [~~Act~~] to the same extent  
 3-54 and as fully and completely as the right to bring such a suit or  
 3-55 suits existed in the State prior to the passage hereof.

3-56 (d) [~~Sec. 4.~~] The purposes and provisions of this section  
 3-57 [~~Act~~], and the grants, rights and privileges, thereunder to the  
 3-58 authority [~~Harris County Houston Ship Channel Navigation~~  
 3-59 ~~District~~], shall not affect, curtail or abridge the rights or  
 3-60 privileges of riparian owners of lands abutting upon the islands  
 3-61 and lands subject to overflow, and lands lying under the streams,  
 3-62 bays and lakes herein described or referred to, as the same existed  
 3-63 under the Common Law or the Constitution or Statutes of Texas as of  
 3-64 June 14, 1927 [~~at the time this Act shall become in force and~~  
 3-65 ~~effect~~], or to deprive riparian land owners of access to such  
 3-66 streams, channels or waters.

3-67 (e) [~~Sec. 5.~~] The State of Texas, may at any time, place the  
 3-68 operation of the [~~said~~] facilities under Subsection (b) under the  
 3-69 supervision of the Railroad Commission of Texas, to insure

4-1 reasonable wharfage and storage charges.

4-2 (f) [~~Sec. 6.~~] The right is hereby expressly reserved by the  
4-3 State of Texas to erect on the lands herein conveyed such wharves,  
4-4 piers and buildings for State purposes as may hereafter be  
4-5 authorized by law.

4-6 (g) [~~Sec. 7.~~] All mines and mineral rights, including oil  
4-7 and gas in and under said lands, together with the right to enter  
4-8 there on for the purpose of development, and the granting of permits  
4-9 to excavate sand, shell or marl and to collect the tax on same, are  
4-10 hereby expressly reserved to the State of Texas; provided necessary  
4-11 or proper access to the lands hereby ceded, together with all  
4-12 improvements heretofore made, or to be made, under any mineral  
4-13 leases issued by the State in connection with mineral rights herein  
4-14 reserved are made a condition of this grant, and are covenants  
4-15 running with the ceded lands; provided further, that leases  
4-16 hereafter made by the State, or operations thereunder in connection  
4-17 with reserved mineral rights shall not interfere with the  
4-18 improvements made, or to be made in the development of the ship  
4-19 channel by the authority [~~said navigation district~~], or franchise  
4-20 holders thereunder.

4-21 Sec. 5007.005 [~~8~~]. RIGHTS OF WAY; EASEMENTS. Nothing in  
4-22 this chapter [~~Act~~] shall prohibit the authority [~~Navigation~~  
4-23 ~~District~~] or its successors from granting to the United States of  
4-24 America such rights-of-way or easements as may be required by it for  
4-25 the construction of channels, basins, dumping grounds, or other  
4-26 allied purposes in connection with any work voluntarily undertaken  
4-27 by the Federal Government, or at the request of the authority  
4-28 [~~navigation district~~] or its successors.

4-29 SECTION 4. Sections 1, 2, 3, 4, and 5A, Chapter 117, Acts of  
4-30 the 55th Legislature, Regular Session, 1957, are transferred to  
4-31 Subchapter A, Chapter 5007, Special District Local Laws Code, as  
4-32 added by this Act, redesignated as Sections 5007.006, 5007.007,  
4-33 5007.008, 5007.009, and 5007.010, Special District Local Laws Code,  
4-34 and amended to read as follows:

4-35 Sec. 5007.006 [~~1~~]. REVENUE OBLIGATIONS; CERTAIN POWERS;  
4-36 FEES AND CHARGES; GRAIN ELEVATORS; TAXATION EXEMPTION; REFUNDING  
4-37 BONDS; CERTAIN BOND PROVISIONS. (a) The authority [~~Harris County~~  
4-38 ~~Houston Ship Channel Navigation District of Harris County, Texas~~],  
4-39 in addition to all other powers conferred by law, is hereby given  
4-40 authority and shall hereafter have power in the manner hereinafter  
4-41 provided to acquire, purchase, construct, enlarge, extend, repair,  
4-42 maintain, operate, or develop channels and turning basins, wharves,  
4-43 docks, warehouses, grain elevators, bunkering facilities,  
4-44 railroads, floating plants[~~7~~] and facilities, lightering  
4-45 facilities and towing facilities, bulk handling facilities, and  
4-46 everything appurtenant thereto, together with all other facilities  
4-47 or aids incident to or useful in the operation or development of the  
4-48 authority's [~~District's~~] ports and waterways or in aid of  
4-49 navigation and commerce thereon.

4-50 (b) The port commission [~~Board of Navigation and Canal~~  
4-51 ~~Commissioners of said District~~] may covenant to and shall prescribe  
4-52 fees and charges to be collected for the use of those improvements  
4-53 and facilities of the authority [~~District~~] (the net revenues of  
4-54 which improvements and facilities are pledged, as hereinafter  
4-55 provided), which fees and charges shall be reasonable and equitable  
4-56 and fully sufficient to produce revenues adequate to pay, and said  
4-57 port commission [~~Board of Navigation and Canal Commissioners~~] shall  
4-58 cause to be paid:

4-59 (1) All expenses necessary to the operation,  
4-60 replacement and maintenance of said improvements and facilities.  
4-61 Such operating and maintenance expenses payable from current  
4-62 revenues shall include the cost of the acquisitions of properties  
4-63 and materials necessary to repair, replace and maintain said  
4-64 improvements and facilities in good condition and operate them  
4-65 efficiently, wages and salaries paid to the employees of the  
4-66 authority [~~District~~] in that connection, and such other expenses as  
4-67 may be necessary to the efficient operation of said improvements  
4-68 and facilities.

4-69 (2) The annual or semiannual interest upon any

5-1 obligations issued hereunder and payable out of the revenues of  
5-2 said improvements and facilities.

5-3 (3) The amount required to be paid annually into the  
5-4 sinking fund for the payment of any obligations issued hereunder  
5-5 and payable out of the revenues of said improvements and  
5-6 facilities.

5-7 (4) The amount or amounts required to be paid in  
5-8 reserve funds or other funds as may be provided for in the  
5-9 proceedings authorizing such obligations, to secure the payment of  
5-10 the obligations issued pursuant to the provisions hereof.

5-11 (b-1) Revenues which may be received in excess of those  
5-12 required for the purposes listed in the above Subsection (b)  
5-13 [~~subparagraphs (1), (2), (3), and (4),~~] may be used by the port  
5-14 commission [~~Board of Navigation and Canal Commissioners~~] to pay the  
5-15 cost of any other authority [~~District~~] improvements or for any  
5-16 other lawful purpose.

5-17 (c) The port commission [~~Board of Navigation and Canal~~  
5-18 ~~Commissioners of said District~~] may borrow money from any  
5-19 department or agency of the United States, or from any other source,  
5-20 and in evidence thereof issue the notes, warrants, certificates of  
5-21 indebtedness, negotiable bonds, or other forms of obligation of the  
5-22 authority [~~such District~~] (heretofore and hereafter referred to as  
5-23 "obligations") payable solely out of the revenues to be derived  
5-24 from said improvements and facilities for any or all of the purposes  
5-25 set forth in Subsection (a) [~~Section 1(a) of this Act~~].

5-26 (d) Such obligations shall not constitute an indebtedness  
5-27 or pledge of the credit of the authority [~~such District~~], and the  
5-28 holders thereof shall never have the right to demand payment  
5-29 thereof out of any funds raised or to be raised by taxation, and  
5-30 such obligations shall contain a recital to that effect. All  
5-31 obligations issued hereunder shall be in registered or coupon form,  
5-32 and if in coupon form may be registerable as to principal only, or  
5-33 as to both principal and interest, shall bear interest at a rate not  
5-34 to exceed the amount allowed by law [~~six per cent (6%) per annum~~],  
5-35 payable annually or semiannually, and shall be in such  
5-36 denominations and shall mature serially or at one time not more than  
5-37 forty (40) years from their date in such manner as may be provided  
5-38 by the port commission [~~Board of Navigation and Canal~~  
5-39 ~~Commissioners~~]. Principal of and interest on such obligations  
5-40 shall be made payable at any place or places within or without the  
5-41 State of Texas, and in the discretion of the port commission [~~Board~~  
5-42 ~~of Navigation and Canal Commissioners~~] such obligations may be made  
5-43 callable and/or refundable at the option of the port commission  
5-44 [~~said Board~~] prior to maturity at such premium or premiums as the  
5-45 port commission [~~Board~~] shall determine. Such obligations shall be  
5-46 signed by the manual or facsimile signatures of the Chairman and  
5-47 executive director [~~Secretary~~] of the port commission [~~Board of~~  
5-48 ~~Navigation and Canal Commissioners~~] as may be provided in the  
5-49 proceedings authorizing said obligations, and the interest coupons  
5-50 attached thereto may also be executed by the facsimile signatures  
5-51 of such officers. Such obligations shall be sold in such manner and  
5-52 at such times as the port commission [~~Board of Navigation and Canal~~  
5-53 ~~Commissioners~~] shall determine to be expedient and necessary to the  
5-54 interests of the authority [~~District~~], provided, that in no event  
5-55 shall such obligations be sold for a price which will result in an  
5-56 interest yield therefrom of more than the amount allowed by law [~~six~~  
5-57 ~~percent (6%)~~] computed to maturity according to standard bond  
5-58 tables in general use by banks and insurance companies. Any premium  
5-59 or premiums provided for the call or refunding of any bonds issued  
5-60 pursuant to this Section [~~1~~] shall not be included in the  
5-61 computation of the maximum interest yield on such bonds. In the  
5-62 event of the officers whose signatures are on such obligations or  
5-63 coupons shall cease to be such officers before the delivery of such  
5-64 obligations to the purchaser, such signature or signatures,  
5-65 nevertheless, shall be valid and sufficient for all purposes. All  
5-66 obligations issued hereunder shall constitute negotiable  
5-67 instruments under Chapter 3, Business & Commerce Code [~~within the~~  
5-68 ~~meaning of the Negotiable Instruments Law of the State of Texas~~].

5-69 (e) Any obligations issued hereunder may be issued payable

6-1 from and secured by the pledge of all the revenues derived from the  
 6-2 operation of the improvements and facilities of the authority  
 6-3 [~~District~~], exclusive of any revenues derived from taxation or  
 6-4 assessments, or may be payable from and secured by the pledge of  
 6-5 only such revenues as may be derived from the operation of the  
 6-6 improvements and facilities acquired with the proceeds of the sale  
 6-7 of such obligations, or may be payable from and secured by the  
 6-8 pledge of a specified part of the revenues derived from the  
 6-9 operation of the improvements and facilities of the authority  
 6-10 [~~District~~], all as may be provided in the proceedings authorizing  
 6-11 the issuance of such obligations.

6-12 (f) In the resolution or order adopted by the port  
 6-13 commission [~~Board of Navigation and Canal Commissioners~~]  
 6-14 authorizing the issuance of any obligations hereunder, the port  
 6-15 commission [~~said Board~~] may provide for the flow of funds, the  
 6-16 establishment and maintenance of the interest and sinking fund,  
 6-17 reserve, and other funds, and may provide for such additional  
 6-18 covenants with respect to the obligations and the pledged revenues  
 6-19 and the operation, maintenance, and upkeep of those improvements  
 6-20 and facilities (the income of which is pledged), including  
 6-21 provision for the leasing of all or part of said improvements and  
 6-22 facilities and the use or pledge of moneys derived from leases  
 6-23 thereon, as it may deem appropriate. Said resolution or order may  
 6-24 also prohibit the further issuance of obligations payable from the  
 6-25 pledged net revenues, or may reserve the right to issue additional  
 6-26 bonds to be secured by a pledge of and payable from said net  
 6-27 revenues on a parity with, or subordinate to, the lien and pledge in  
 6-28 support of the obligations being issued, subject to such conditions  
 6-29 as are set forth in said resolution or order. Such resolution may  
 6-30 contain a provision appropriating out of the bond proceeds an  
 6-31 amount sufficient to pay the interest which will accrue on such  
 6-32 obligations during the period of construction of the improvements  
 6-33 and facilities covered by such obligations. Such resolution or  
 6-34 order may contain other provisions and covenants, as in the opinion  
 6-35 of the port commission [~~said Board~~] may be necessary or desirable to  
 6-36 insure marketability of the obligations, provided that such  
 6-37 provisions and covenants are not prohibited by the Constitution of  
 6-38 Texas or by this chapter [~~Act~~]; and the port commission [~~Board~~] may  
 6-39 adopt and cause to be executed any other proceedings or instruments  
 6-40 necessary and/or convenient in the issuance of said obligations.

6-41 (g) The authority [~~Said District~~] may adopt plans for the  
 6-42 construction or refinancing of a grain elevator or elevators, to be  
 6-43 paid for by the issuance and sale of obligations payable from and  
 6-44 secured by a pledge of revenues to be derived from the operation of  
 6-45 said grain elevator and further secured by a trust indenture, or by  
 6-46 a deed of trust on the physical properties of such improvement; and  
 6-47 during the time any such improvement is encumbered by the pledge of  
 6-48 such revenues and the lien upon its physical properties, in the  
 6-49 proceedings authorizing the bonds or the indenture, may vest its  
 6-50 management and control in a Board of Trustees, to be named in such  
 6-51 resolution or indenture, consisting of not less than five (5) nor  
 6-52 more than nine (9) members. The compensation of the members of such  
 6-53 Board of Trustees shall be fixed by such resolution or indenture,  
 6-54 but shall never exceed one percent (1%) of the gross receipts of  
 6-55 such improvement in any one (1) year. The terms of office of the  
 6-56 members of such Board of Trustees, their powers and duties,  
 6-57 including the power to fix fees and charges for the use of such  
 6-58 improvements, and the manner of exercising same, the manner of the  
 6-59 selection of their successors, and all matters pertaining to their  
 6-60 duties and the organization of such Board of Trustees shall be  
 6-61 specified in such resolution or indenture. Any such Board of  
 6-62 Trustees may adopt bylaws regulating the procedure of the Board and  
 6-63 fixing the duties of its officers, but the bylaws shall not contain  
 6-64 any provision in conflict with the covenants and provisions  
 6-65 contained in the resolution authorizing the bonds or the indenture.  
 6-66 In all matters wherein the resolution or indenture are silent as to  
 6-67 the powers, duties, obligations and procedure of the Board, the  
 6-68 laws and rules governing the port commission [~~governing body of~~  
 6-69 ~~such District~~] shall control the Board of Trustees in so far as

7-1 applicable. The Board may be created by the resolution or  
 7-2 indenture, and in that event shall have all or any of the powers and  
 7-3 authority which could be exercised by the port commission  
 7-4 [~~governing body of the District~~] in so far as the management and  
 7-5 operation of any such improvement is concerned. By the terms of any  
 7-6 such resolution or indenture the port commission [~~governing board~~  
 7-7 ~~of any such District~~] may make provision for later supplementing  
 7-8 such resolution or indenture so as to vest the management and  
 7-9 control of such grain elevator in a Board of Trustees having the  
 7-10 powers, rights and duties herein conferred or imposed.

7-11 (h) Any resolution or order authorizing the issuance of  
 7-12 obligations hereunder may provide that the revenues from which such  
 7-13 obligations are to be paid and which are pledged to the payment of  
 7-14 such obligations shall from month to month as the same shall accrue  
 7-15 and be received, be set apart and placed in the interest and sinking  
 7-16 fund, reserve fund, and other funds established in said resolution  
 7-17 or order, and disbursed in the manner hereinabove provided.

7-18 (i) Any holder of obligations issued hereunder or of coupons  
 7-19 originally attached thereto, may either at law or in equity, by  
 7-20 suit, action, mandamus or other proceeding, enforce and compel  
 7-21 performance of all duties required by this chapter [~~Act~~] to be  
 7-22 performed by the port commission [~~Board of Navigation and Canal~~  
 7-23 ~~Commissioners~~], including the making and collection of reasonable  
 7-24 and sufficient fees or charges for the use of the improvements and  
 7-25 facilities of the authority [~~District~~], the segregation of the  
 7-26 income and revenues of such improvements and facilities, and the  
 7-27 application of such income and revenues pursuant to the provisions  
 7-28 of this chapter [~~Act~~].

7-29 (j) As additional security for the payment of any  
 7-30 obligations issued hereunder, the port commission [~~Board of~~  
 7-31 ~~Navigation and Canal Commissioners~~] may in its discretion have  
 7-32 executed in favor of the holders of such obligations an indenture or  
 7-33 deed of trust mortgaging and encumbering all or any part of the  
 7-34 physical properties comprising the improvements and facilities the  
 7-35 net revenues of which are pledged to the payment of such  
 7-36 obligations, including the lands upon which said improvements and  
 7-37 facilities are located, and may provide in such mortgage or  
 7-38 encumbrance for a grant to any purchaser or purchasers at  
 7-39 foreclosure sale thereunder of a franchise to operate such  
 7-40 improvements, facilities and properties for a term of not over  
 7-41 fifty (50) years from the date of such purchase, subject to all laws  
 7-42 regulating same then in force. Any such indenture or deed of trust  
 7-43 may contain such terms and provisions as the port commission [~~Board~~  
 7-44 ~~of Navigation and Canal Commissioners~~] shall deem proper and shall  
 7-45 be enforceable in the manner provided by the laws of Texas for the  
 7-46 enforcement of other mortgages and encumbrances. Under any such  
 7-47 sale ordered pursuant to the provisions of such mortgage or  
 7-48 encumbrance, the purchaser or purchasers at such sale, and his or  
 7-49 their successors or assigns, shall be vested with a permit or  
 7-50 franchise conforming to the provisions stipulated in the indenture  
 7-51 or deed of trust to maintain and operate the improvements,  
 7-52 facilities and properties purchased at such sale with like powers  
 7-53 and privileges as may theretofore have been enjoyed by the  
 7-54 authority [~~District~~] in the operation of said improvements,  
 7-55 facilities and properties. The purchaser or purchasers of such  
 7-56 improvements, facilities and properties at any such sale, and his  
 7-57 or their successors and assigns, may operate said improvements,  
 7-58 facilities and properties as provided in the last above sentence or  
 7-59 may at their option remove all or any part or parts of said  
 7-60 improvements, facilities and properties for diversion to other  
 7-61 purposes. The provisions of Sections 61.164, 61.165, and 61.168,  
 7-62 Water Code [~~Articles 8240, 8241, 8243, Revised Civil Statutes,~~  
 7-63 ~~1925~~], and Chapter 134, Acts 1935, 44th Legislature, Regular  
 7-64 Session, as amended, and any other Statutes relating to the  
 7-65 authorization or execution of mortgages and encumbrances or the  
 7-66 granting of franchises or leases shall not be applicable to the  
 7-67 authorization or execution of any mortgage or encumbrance entered  
 7-68 into pursuant to the provisions of this chapter [~~Act~~], nor to the  
 7-69 granting of any franchise hereunder. Any obligations issued

8-1 pursuant to the provisions of this chapter [~~Act~~] and additionally  
 8-2 secured by an indenture or deed of trust as provided by this  
 8-3 subsection [~~Section 1(j)~~], whether such obligations are notes or  
 8-4 certificates of indebtedness or otherwise, and the record relating  
 8-5 to their issuance, may, at the option of the port commission [~~Board~~  
 8-6 ~~of Navigation and Canal Commissioners~~], be submitted to the  
 8-7 Attorney General of Texas for his examination and approval, as in  
 8-8 the case of bonds, and after the Attorney General has approved the  
 8-9 same, such obligations shall be registered by the Comptroller of  
 8-10 Public Accounts of Texas; and after such obligations have been  
 8-11 approved by the Attorney General and registered by the Comptroller,  
 8-12 they shall thereafter be incontestable for any cause except for  
 8-13 forgery or fraud.

8-14 (k) The proceeds of the sale of any obligations issued  
 8-15 hereunder may be deposited in such bank or banks as may be agreed  
 8-16 upon between the purchaser at such sale and the port commission  
 8-17 [~~Board of Navigation and Canal Commissioners~~], and may be deposited  
 8-18 and paid out pursuant to such terms and conditions as may be so  
 8-19 agreed upon, it being expressly provided that the Statutes of Texas  
 8-20 pertaining to the deposit of [~~Navigation District~~] funds in the  
 8-21 depository of the authority [~~such District~~] shall not be applicable  
 8-22 to the deposit of the proceeds of such sale.

8-23 (l) The port commission [~~Board of Navigation and Canal~~  
 8-24 ~~Commissioners~~] is authorized to enter into an agreement or  
 8-25 agreements with the purchaser or purchasers of any obligations  
 8-26 issued hereunder under the terms of which the port commission [~~such~~  
 8-27 ~~Board~~] shall agree to keep all of the improvements and facilities,  
 8-28 the revenues of which are pledged to the payment of such  
 8-29 obligations, insured with insurers of good standing against loss or  
 8-30 damage by fire, water or flood, and also from any other hazards  
 8-31 customarily insured against by private companies operating similar  
 8-32 properties, and to carry with insurers of good standing such  
 8-33 insurance covering the use and occupancy of such property as is  
 8-34 customarily carried by such private companies. The cost of such  
 8-35 insurance shall be budgeted as maintenance and operation expense  
 8-36 and such insurance shall be carried for the benefit of the holders  
 8-37 of such obligations.

8-38 (m) The authority [~~Said District~~], in addition to the other  
 8-39 powers hereinabove set out, shall have general power and authority  
 8-40 to make and enter into all contracts, leases and agreements  
 8-41 necessary or convenient to the carrying out of any of the powers  
 8-42 granted in this chapter [~~Act~~], which contracts, leases or  
 8-43 agreements may be entered into with any person, real or artificial,  
 8-44 any corporation, municipal, public or private, and the government  
 8-45 or governmental agency, including those of the United States and  
 8-46 the State of Texas. Any and all contracts, leases or agreements  
 8-47 entered into pursuant hereto shall be approved by resolution or  
 8-48 order of the port commission [~~Board of Navigation and Canal~~  
 8-49 ~~Commissioners of such District~~], and shall be executed by the  
 8-50 Chairman and attested by the executive director [~~Secretary~~]  
 8-51 thereof.

8-52 (n) Any obligations issued pursuant to the provisions of  
 8-53 this section [~~Act~~] shall be exempt from taxation by the State of  
 8-54 Texas or by any municipal corporation, county, or other political  
 8-55 subdivision or taxing district of the State.

8-56 (o) The port commission [~~Board of Navigation and Canal~~  
 8-57 ~~Commissioners~~] shall have the power to issue obligations of the  
 8-58 authority [~~District~~] for the purpose of refunding any outstanding  
 8-59 obligations payable out of the revenues of the authority [~~District~~]  
 8-60 and accrued interest thereon. Such refunding obligations may be  
 8-61 issued to refund more than one series of issues of outstanding  
 8-62 obligations and combine the pledges for the outstanding obligations  
 8-63 for the security of the refunding obligations, and such refunding  
 8-64 obligations may be secured by other and additional revenues,  
 8-65 provided that such refunding will not impair the contract rights of  
 8-66 the holders of any of the outstanding obligations which are not to  
 8-67 be refunded.

8-68 (o-1) Such refunding obligations shall be authorized, shall  
 8-69 be executed, and shall mature as is provided herein for original



9-1 obligations, and shall bear interest at the same or lower rate than  
 9-2 that of the obligations refunded unless it is shown mathematically  
 9-3 that a saving will result in the total amount of interest to be  
 9-4 paid. Refunding bonds issued hereunder shall be approved by the  
 9-5 Attorney General of Texas as in the case of other bonds issued  
 9-6 hereunder, and shall be registered by the Comptroller of Public  
 9-7 Accounts upon surrender and cancellation of the bonds to be  
 9-8 refunded, but in lieu thereof, the resolution or order authorizing  
 9-9 their issuance may provide that they shall be sold and the proceeds  
 9-10 thereof deposited in the place or places where the original bonds  
 9-11 are payable, in which case the refunding bonds may be issued in an  
 9-12 amount sufficient to pay the interest on the original bonds to their  
 9-13 option or maturity date, and the Comptroller shall register them  
 9-14 without the surrender and cancellation of the original bonds. The  
 9-15 port commission [~~Board of Navigation and Canal Commissioners~~] may  
 9-16 combine refunding bonds and new bonds in one issue, in which event  
 9-17 the provisions of this subsection and Subsection [~~Section~~] (o)  
 9-18 shall apply to those bonds of the combined issue which are  
 9-19 designated in the resolution or order as the refunding bonds.

9-20 (p) After any bonds have been authorized by the authority  
 9-21 [~~District~~] hereunder, such bonds and the record relating to their  
 9-22 issuance shall be submitted to the Attorney General of Texas for his  
 9-23 examination as to the validity thereof, and after the Attorney  
 9-24 General has approved the same, such bonds shall be registered by the  
 9-25 Comptroller of Public Accounts of Texas. After such bonds have been  
 9-26 approved by the Attorney General and registered by the Comptroller,  
 9-27 they shall thereafter be incontestable for any cause except for  
 9-28 forgery or fraud.

9-29 (q) All bonds issued hereunder shall be and are hereby  
 9-30 declared to be, and to have all the qualifications of, negotiable  
 9-31 instruments under Chapter 3, Business & Commerce Code [~~the~~  
 9-32 ~~Negotiable Instruments Law of the State of Texas~~], and all such  
 9-33 bonds shall be and are hereby declared to be legal and authorized  
 9-34 investments for banks, savings banks, trust companies, building and  
 9-35 loan associations, insurance companies, fiduciaries, trustees,  
 9-36 guardians, for State funds and retirement system funds (without  
 9-37 limiting the generalization of the foregoing, including the  
 9-38 Permanent School Fund of Texas, and funds of retirement systems  
 9-39 created under the Constitution and laws of the State of Texas), and  
 9-40 for the sinking funds of cities, towns, villages, counties, school  
 9-41 districts, or other governmental agencies, political corporations  
 9-42 or subdivisions of the State of Texas. Such bonds shall be eligible  
 9-43 to secure the deposit of any and all public funds of the State of  
 9-44 Texas, and any and all public funds of cities, towns, villages,  
 9-45 counties, school districts, or other governmental agencies,  
 9-46 political corporations or subdivisions of the State of Texas; and  
 9-47 such bonds shall be lawful and sufficient security for said  
 9-48 deposits to the extent of their face value when accompanied by all  
 9-49 unmatured coupons appurtenant thereto.

9-50 (r) This Section [~~1~~], without reference to other Statutes of  
 9-51 the State of Texas, shall constitute full authority for the  
 9-52 authorization and issuance of obligations hereunder and for the  
 9-53 accomplishment of all things herein authorized to be done, and no  
 9-54 proceedings relating to the authorization or issuance of such  
 9-55 obligations or the doing of such things shall be necessary except  
 9-56 such as are herein required, and neither the Bond and Warrant Law of  
 9-57 1931 or any other provisions of the Laws of the State of Texas,  
 9-58 pertinent to the authorization or issuance of obligations, the  
 9-59 operation and maintenance of ports, canals and waterways, the  
 9-60 granting of franchise, permits, or leases, the right to elections  
 9-61 or referendum petitions, shall in anywise impede or restrict the  
 9-62 carrying out of the acts authorized to be done hereunder or acts  
 9-63 done pursuant hereto.

9-64 Sec. 5007.007 [2]. CONVERSION OF AUTHORITY [DISTRICT] AND  
 9-65 TAX SUPPORTED OBLIGATIONS; CERTAIN POWERS AND DUTIES; ELECTIONS;  
 9-66 REFUNDING BONDS; MAINTENANCE TAX; ASSESSMENT OF TAXES. (a)  
 9-67 Effective and operative January 1, 1958, the authority [Port of  
 9-68 Houston Authority of Harris County, Texas,] is hereby converted to  
 9-69 a navigation district operating under the provisions of Section 59

10-1 of Article XVI, Constitution of Texas, and after that ~~[said]~~ date  
 10-2 the authority ~~[said Authority]~~ will operate under Section 59 of  
 10-3 Article XVI ~~[and this Section 2 of this Act, provided, that neither~~  
 10-4 ~~said Constitutional Provision nor this Section 2 shall apply to~~  
 10-5 ~~said Authority until said effective date].~~

10-6 (a-1) The authority is ~~[Said Authority will thereafter be]~~  
 10-7 empowered and authorized to exercise, in addition to all powers  
 10-8 conferred by this section ~~[Act]~~, all powers conferred upon the  
 10-9 authority ~~[said Authority]~~ by the law or laws under which it was  
 10-10 organized, and, in addition, shall have all of the powers and  
 10-11 jurisdiction conferred upon Districts originally organized under  
 10-12 Article XVI, Section 59, of the Constitution of the State of Texas,  
 10-13 and particularly Subchapters B, H, and K, Chapter 60, Water Code,  
 10-14 and Sections 60.034 through 60.042, 61.075, 61.076, 61.082, 61.112,  
 10-15 61.115 through 61.117, 61.151 through 61.168, 61.172 through  
 10-16 61.174, and 61.176, Water Code, as amended, and Articles 8248,  
 10-17 8249, 8250, 8251, 8252, 8253, 8254, 8255, 8256, 8257, and 8258,  
 10-18 Revised Civil Statutes of Texas, 1925, as amended, as well as  
 10-19 ~~[Chapter 90, Acts, 1945, Forty-ninth Legislature, Regular Session,~~  
 10-20 ~~Page 130, as amended,]~~ Chapter 6, Acts, 1941, Forty-seventh  
 10-21 Legislature, Page 8, as amended; Chapter 176, Acts, 1955,  
 10-22 Fifty-fourth Legislature, Page 554; Chapter 217, Acts, 1949,  
 10-23 Fifty-first Legislature, Page 407; provided, that if there is any  
 10-24 conflict or inconsistency between said laws or any of them, and this  
 10-25 chapter ~~[Act]~~, then to the extent of conflict or inconsistency, the  
 10-26 provisions of this chapter ~~[Act]~~ shall govern.

10-27 (a-2) If the authority ~~[Authority]~~ makes a contract under  
 10-28 which another entity performs for the authority ~~[Authority]~~ any  
 10-29 work in which the authority ~~[Authority]~~ may engage under  
 10-30 ~~[Subsection (a) of]~~ Section 5007.006(a) ~~[1 of this Act]~~, the  
 10-31 authority ~~[Authority]~~ may require that a minimum of 25 percent of  
 10-32 the work be performed by the contractor and, notwithstanding any  
 10-33 other law to the contrary, may establish financial criteria for the  
 10-34 surety companies that provide payment and performance bonds.

10-35 ~~[The Port Commission of said Authority shall be a seven (7)~~  
 10-36 ~~commissioner board. Two (2) Port Commissioners shall be appointed~~  
 10-37 ~~by a majority of the city council of the City of Houston, and two (2)~~  
 10-38 ~~Port Commissioners shall be appointed by a majority of the Harris~~  
 10-39 ~~County Commissioners Court. One (1) Port Commissioner shall be~~  
 10-40 ~~appointed by a majority of the governing bodies of municipalities~~  
 10-41 ~~located adjacent to the Houston Ship Channel that have a population~~  
 10-42 ~~of 100,000 or more but less than 1,000,000 according to the most~~  
 10-43 ~~recent federal census. One (1) Port Commissioner shall be~~  
 10-44 ~~appointed by a majority of the Harris County Mayors' and Councils'~~  
 10-45 ~~Association. The Port Commissioner appointed by the Harris County~~  
 10-46 ~~Mayors' and Councils' Association must be a resident of a~~  
 10-47 ~~municipality in Harris County that is located adjacent to the~~  
 10-48 ~~Houston Ship Channel and has a population of less than 100,000~~  
 10-49 ~~according to the most recent federal census. The chairman of the~~  
 10-50 ~~commission shall be appointed by the city council of the City of~~  
 10-51 ~~Houston and the Harris County Commissioners Court. The city~~  
 10-52 ~~council and the commissioners court shall each have five votes in~~  
 10-53 ~~the selection of the chairman of the commission. A majority of each~~  
 10-54 ~~governing body shall determine how the votes for that body will be~~  
 10-55 ~~cast. Except as specifically provided by this section, the Port~~  
 10-56 ~~Commissioners shall continue to be selected and shall hold office~~  
 10-57 ~~as provided by Sections 61.159 through 61.160, Water Code. Any act~~  
 10-58 ~~or thing authorized to be done by said Port Commission by provisions~~  
 10-59 ~~of this Act or by provision of any of the aforementioned laws and~~  
 10-60 ~~legislative acts may be done and performed by the General Manager of~~  
 10-61 ~~said Authority (or other person authorized to act in his place and~~  
 10-62 ~~stead) when so authorized by general or special rule, regulation,~~  
 10-63 ~~order, resolution or other direction of the Port Commission. The~~  
 10-64 ~~Navigation Board of said Authority is hereby defined and shall be~~  
 10-65 ~~composed of the County Judge and County Commissioners of Harris~~  
 10-66 ~~County, Texas, the Mayor and Council members of the City of Houston,~~  
 10-67 ~~Texas, and the members of the Harris County Mayors' and Councils'~~  
 10-68 ~~Association.]~~

10-69 (b) If the port commission ~~[Navigation and Canal~~

11-1 ~~Commissioners of said District]~~ shall from time to time determine  
 11-2 to make further construction or improvements by the issuance of tax  
 11-3 bonds or that additional tax bond funds are required with which to  
 11-4 maintain the existing improvements, they shall certify to the  
 11-5 Commissioners Court of Harris County the necessity for an  
 11-6 additional bond issue or issues stating the amount required, the  
 11-7 purposes of the same, the maximum rate of interest of said bonds,  
 11-8 and the time for which they are to run. A certified copy of an order  
 11-9 or resolution adopted by the port commission [~~Board of Navigation~~  
 11-10 ~~and Canal Commissioners]~~, setting forth such information, shall  
 11-11 constitute sufficient certification in this regard. The  
 11-12 Commissioners Court at a regular or special meeting, shall order an  
 11-13 election to vote on the proposition of the issuance of bonds and the  
 11-14 levy of taxes as hereinafter provided. Said order shall specify the  
 11-15 maximum amount of bonds to be issued, their maximum maturity date,  
 11-16 and the maximum rate of interest. The ballots for such election  
 11-17 shall contain words substantially as follows: "For the issuance of  
 11-18 bonds and levy of tax in payment thereof"; "Against the issuance of  
 11-19 bonds and levy of tax in payment thereof"; and said ballot shall  
 11-20 conform to the requirements of the provisions of the Constitution  
 11-21 of Texas[, ~~Chapter 9 of Title 128, Revised Civil Statutes, 1925,~~]  
 11-22 and all other Statutes of Texas applicable thereto. Any and all  
 11-23 limitations, statutory or otherwise, restricting the amount of  
 11-24 bonds that may be issued by the authority [~~District]~~ are hereby  
 11-25 removed.

11-26 (c) When any election is held under this chapter [~~Act~~],  
 11-27 notice thereof shall be given for not less than thirty (30) days  
 11-28 prior thereto, stating the time, places of holding the same, the  
 11-29 proposition or propositions to be voted upon, and the purposes  
 11-30 thereof, and shall contain a substantial copy of the election  
 11-31 order. Such notices shall be posted by the County Clerk in five (5)  
 11-32 public places in said County, one (1) of which shall be at the  
 11-33 Courthouse door, and four (4) of which shall be posted within the  
 11-34 limits of the authority [~~said Navigation District]~~. No other  
 11-35 notice of election shall be necessary. The authority [~~This~~  
 11-36 ~~District]~~, being presently a county-wide district, and so long as  
 11-37 it remains such, the regular voting or election precincts  
 11-38 established by the Commissioners Court for county-wide elections  
 11-39 shall be the voting or election precincts for all such bond  
 11-40 elections.

11-41 (d) [~~Only duly qualified resident electors of said District~~  
 11-42 ~~who own taxable property within said District and who have duly~~  
 11-43 ~~rendered the same for taxation shall be entitled to vote at said~~  
 11-44 ~~elections. Every person who offers to vote in any such election who~~  
 11-45 ~~is not known by the election officials to possess said~~  
 11-46 ~~qualifications shall take the following oath before the Presiding~~  
 11-47 ~~Judge of the polling place where he offers to vote, and the~~  
 11-48 ~~Presiding Judge is authorized to administer the same: "I do~~  
 11-49 ~~solemnly swear (or affirm) that I am a duly qualified resident~~  
 11-50 ~~elector of Harris County Houston Ship Channel Navigation District~~  
 11-51 ~~of Harris County, Texas, and that I own taxable property in said~~  
 11-52 ~~District which has been duly rendered for taxation, and that I have~~  
 11-53 ~~not voted before at this election."~~

11-54 [~~(e)~~] The Commissioners Court shall canvass the returns of  
 11-55 said election, and if a majority of those voting at the election  
 11-56 vote in favor of the issuance of the bonds and the levy of the tax in  
 11-57 payment thereof, then the Commissioners Court shall authorize the  
 11-58 issuance of such bonds and levy taxes to pay the interest on and  
 11-59 principal of such bonds, as hereinafter provided. In canvassing  
 11-60 such returns and declaring the result of any such election, a simple  
 11-61 resolution or order of said Commissioners Court shall be  
 11-62 satisfactory.

11-63 (e) [~~(f)~~] Bonds so authorized at an election may be issued  
 11-64 in one or more installments, and when the port commission [~~Board of~~  
 11-65 ~~Navigation and Canal Commissioners]~~ shall have determined the  
 11-66 amount of bonds to be issued in a particular series or issue, the  
 11-67 port commission [~~said Board]~~ shall adopt a resolution or order  
 11-68 setting forth the amount of bonds then to be issued, and a certified  
 11-69 copy of such resolution or order shall be furnished the

12-1 Commissioners Court. Thereupon, said Commissioners Court, at a  
 12-2 regular or special meeting, shall adopt an order authorizing and  
 12-3 directing the issuance of bonds for the authority [~~such District~~]  
 12-4 in the amount so certified.

12-5 (f) [~~(g)~~] All tax bonds of the authority [~~District~~] shall be  
 12-6 issued in the name of the authority [~~District~~], shall be signed by  
 12-7 the County Judge and attested by the County Clerk, and shall have  
 12-8 the seal of the Commissioners Court impressed thereon; provided,  
 12-9 that the order authorizing the issuance of such bonds may provide  
 12-10 for the bonds to be signed by the facsimile signatures of said  
 12-11 County Judge and County Clerk, either or both, and for the seal on  
 12-12 the bonds to be a printed facsimile seal of the Commissioners Court;  
 12-13 and provided further that the interest coupons attached to said  
 12-14 bonds may also be executed by the facsimile signatures of said  
 12-15 officers. The County Treasurer shall register such bonds and shall  
 12-16 keep a record thereof, and evidence of such registration may be  
 12-17 shown on the bonds by the manual or facsimile signature of said  
 12-18 County Treasurer. Such bonds shall be issued in such  
 12-19 denominations, shall be payable at such time or times not exceeding  
 12-20 forty (40) years from their date or dates, and shall bear interest  
 12-21 at a rate or rates not to exceed the amount allowed by law [~~six~~  
 12-22 ~~percent (6%) per annum~~], all as may be determined by said  
 12-23 Commissioners Court.

12-24 (g) [~~(h)~~] The port commission [~~Board of Navigation and~~  
 12-25 ~~Canal Commissioners~~] shall sell such bonds for the best price  
 12-26 possible and in no event for less than their face value and accrued  
 12-27 interest thereon. Such bonds may be sold either prior to,  
 12-28 simultaneous with, or after the adoption of the order by the  
 12-29 Commissioners Court authorizing the issuance of such bonds; and if  
 12-30 such bonds are sold either prior to or simultaneous with the  
 12-31 adoption of said order by the Commissioners Court, then such order  
 12-32 shall contain a provision confirming the sale of such bonds. All  
 12-33 moneys received from the sale of such bonds shall be deposited with  
 12-34 the County Treasurer to the credit of the authority [~~District~~], and  
 12-35 shall be expended only for the bond purpose and incidental expenses  
 12-36 in connection therewith. No additional bond shall be required of  
 12-37 the County Treasurer or of any officer or official of the authority  
 12-38 [~~District~~] for the handling of the bond proceeds.

12-39 (h) [~~(i)~~] All such bonds, and the record of proceedings  
 12-40 pertaining thereto, shall be submitted to the Attorney General of  
 12-41 Texas for his examination as to the validity thereof, and after the  
 12-42 Attorney General has approved the same, such bonds shall be  
 12-43 registered by the Comptroller of Public Accounts of Texas. When  
 12-44 such bonds have been approved by the Attorney General, registered  
 12-45 by the Comptroller, and delivered to the purchasers, they shall  
 12-46 thereafter be incontestable for any cause except for forgery or  
 12-47 fraud.

12-48 (i) [~~(j)~~] When bonds have been issued, the Commissioners  
 12-49 Court shall levy and cause to be assessed and collected taxes  
 12-50 annually sufficient to pay the interest on such bonds, to provide a  
 12-51 sinking fund to redeem said bonds as they mature, and to pay the  
 12-52 cost of collection of such taxes.

12-53 (j) [~~(k)~~] The Commissioners Court shall have the power to  
 12-54 issue bonds to refund outstanding bonds of the authority [~~District~~]  
 12-55 and accrued interest thereon, and the provisions of this Section  
 12-56 [2] relating to the issuance of voted bonds shall apply to the  
 12-57 issuance of refunding bonds, except that no election therefor shall  
 12-58 be necessary. Refunding bonds shall bear interest at the same or  
 12-59 lower rate than the bonds to be refunded unless it is shown  
 12-60 mathematically that a saving will result in the total amount of  
 12-61 interest to be paid. Such bonds shall be approved by the Attorney  
 12-62 General as in the case of original bonds, and shall be registered by  
 12-63 the Comptroller upon surrender and cancellation of the bonds to be  
 12-64 refunded, but in lieu thereof, the order authorizing their issuance  
 12-65 may provide that they shall be sold and the proceeds thereof  
 12-66 deposited in the place or places where the bonds to be refunded are  
 12-67 payable, in which case the refunding bonds may be issued in an  
 12-68 amount sufficient to pay the principal of the bonds to be refunded  
 12-69 and the interest on such bonds to their option or maturity date, and

13-1 the Comptroller shall register them without the surrender and  
 13-2 cancellation of the bonds to be refunded. All refunding bonds,  
 13-3 after they have been approved by the Attorney General and  
 13-4 registered by the Comptroller, shall be incontestable for any cause  
 13-5 except for forgery or fraud.

13-6 (k) ~~[(1)]~~ The Commissioners Court may, upon the request of  
 13-7 the port commission ~~[Board of Navigation and Canal Commissioners]~~,  
 13-8 invest the sinking fund created for the benefit of any bonds issued  
 13-9 hereunder, in such county, municipal, district, or other bonds  
 13-10 required by law to be approved by the Attorney General of Texas.

13-11 (l) ~~[(m)]~~ The Commissioners Court shall be authorized to  
 13-12 levy and cause to be assessed and collected for the maintenance,  
 13-13 operation and upkeep of the authority ~~[said District]~~ and the  
 13-14 facilities, properties, and improvements of the authority ~~[said~~  
 13-15 ~~District]~~, whether heretofore or hereafter constructed or acquired  
 13-16 and whether constructed or acquired under the provisions of this  
 13-17 chapter ~~[Act]~~ or otherwise, an annual tax not to exceed ten cents  
 13-18 (10¢) on each One Hundred Dollars (\$100) valuation of taxable  
 13-19 property within the authority ~~[such District]~~; provided that the  
 13-20 levying of such tax shall be first submitted to the qualified  
 13-21 taxpaying voters of the authority ~~[said District]~~ called and held  
 13-22 as herein provided for bond elections and the proposition shall be  
 13-23 adopted by a majority vote of those voting at the election.

13-24 (m) The Commissioners Court shall at the time of levy of  
 13-25 taxes for County purposes each year levy and cause to be assessed  
 13-26 and collected said maintenance tax within such voted limit of ten  
 13-27 cents (10¢) as has been determined by the port commission ~~[Board of~~  
 13-28 ~~Navigation and Canal Commissioners]~~.

13-29 (n) The port commission ~~[Board of Navigation and Canal~~  
 13-30 ~~Commissioners of said District]~~ shall provide all necessary  
 13-31 additional books for the use of the Assessor and Collector of taxes  
 13-32 and the Clerk of the Commissioners Court of Harris County, Texas.  
 13-33 The Tax Assessor of said Harris County shall be charged with the  
 13-34 assessment of all property for taxation within the authority ~~[said~~  
 13-35 ~~District]~~ and when ordered to do so by the Commissioners Court of  
 13-36 Harris County shall assess all property within the authority ~~[said~~  
 13-37 ~~Navigation District]~~ and list the same for taxation in the books or  
 13-38 rolls furnished him for said purposes, and return said books or  
 13-39 rolls at the same time when he returns the other books or rolls of  
 13-40 the State and County Taxes for correction and approval to the  
 13-41 Commissioners Court of said County, and if said Court shall find  
 13-42 said books or rolls correct they shall approve the same, and in all  
 13-43 matters pertaining to the assessment of property for taxation in  
 13-44 the authority ~~[said District]~~, the Tax Assessor and Board of  
 13-45 Equalization of said County shall be authorized to act and shall be  
 13-46 governed by the laws of Texas for assessing and equalizing property  
 13-47 for State and County Taxes, except as herein provided. All taxes  
 13-48 authorized to be levied by this chapter ~~[Act]~~ shall be a lien upon  
 13-49 the property upon which said taxes are assessed, and said taxes may  
 13-50 be paid and shall mature and be paid at the time provided by the laws  
 13-51 of this State for the payment of State and County Taxes; and all the  
 13-52 penalties provided by the laws of this State for the nonpayment of  
 13-53 State and County Taxes shall apply to all taxes authorized to be  
 13-54 levied by this chapter ~~[Act]~~. The Tax Collector of Harris County  
 13-55 shall be charged with the assessment rolls of the authority ~~[said~~  
 13-56 ~~Navigation District]~~, and is required to make collection of all  
 13-57 taxes levied and assessed against the property in said County and  
 13-58 promptly pay over the same to the Treasurer of the authority  
 13-59 ~~[District]~~. The Tax Assessor-Collector shall receive for such  
 13-60 services such compensation as the port commission ~~[Navigation and~~  
 13-61 ~~Canal Commissioners of said District]~~ and said Commissioners Court  
 13-62 shall agree upon; and such compensation shall be paid to the  
 13-63 Officers' Salary Fund of the County. The bond of such  
 13-64 Assessor-Collector shall stand as security for the proper  
 13-65 performance of his duties as Tax Assessor-Collector of the  
 13-66 authority ~~[such District]~~; or, if in the judgment of the port  
 13-67 commission ~~[Navigation and Canal Commissioners of such District]~~ it  
 13-68 be necessary, an additional bond payable to the authority ~~[such~~  
 13-69 ~~District]~~ may be required, and in all matters pertaining to the

14-1 collection of taxes levied under the provisions of this chapter  
 14-2 [~~Act~~], the Tax Collector shall be authorized to act and shall be  
 14-3 governed by the laws of the State of Texas for the collection of  
 14-4 State and County Taxes, except as herein provided; and suits may be  
 14-5 brought for the collection of said taxes and the enforcement of the  
 14-6 tax liens created by this chapter [~~Act~~]. It shall be the duty of the  
 14-7 Tax Collector to make a certified list of all delinquent property  
 14-8 upon which the navigation tax has not been paid, and return the same  
 14-9 to the County Commissioners Court, which shall proceed to have the  
 14-10 same collected by the sale of such delinquent property in the same  
 14-11 manner, both by suit and otherwise, as now or may be provided for  
 14-12 the sale of property for the collection of State and County Taxes;  
 14-13 and, at the sale of any property for any delinquent tax, the port  
 14-14 commission [~~Navigation and Canal Commissioners~~] may become the  
 14-15 purchasers of the same for the benefit of the authority [~~Navigation~~  
 14-16 ~~District~~]. Should said Tax Assessor and Collector fail or refuse to  
 14-17 comply with the order of said Commissioners Court requiring him to  
 14-18 assess and list for taxation all the property in the authority [~~such~~  
 14-19 ~~Navigation District~~], or fail or refuse to give such additional  
 14-20 bond or security as herein provided, he shall be suspended from  
 14-21 further discharge of his duties by the Commissioners Court of said  
 14-22 County, and he shall be removed from office in the mode prescribed  
 14-23 by law for the removal of county officers.

14-24 (o) The County Treasurer of Harris County shall be treasurer  
 14-25 of the authority [~~said Navigation District~~], and it shall be his  
 14-26 duty to open an account of all moneys received by him belonging to  
 14-27 the authority [~~such District~~] and all amounts paid out by him. He  
 14-28 shall deposit the funds of the authority [~~said District~~] in such  
 14-29 depository or depositories as may be designated by the port  
 14-30 commission [~~Navigation and Canal Commissioners~~] in the manner  
 14-31 provided by law for the selection of a county depository, and such  
 14-32 depository so selected shall be the depository of the authority  
 14-33 [~~said district~~] for a period of two (2) years and until its  
 14-34 successor is selected and qualified. Should the port commission  
 14-35 [~~Navigation and Canal Commissioners~~] fail or refuse to select a  
 14-36 depository such depository shall be selected in like manner by the  
 14-37 Commissioners Court. The depository of the authority on April 29,  
 14-38 1957, [~~said district at the effective date of this Act~~] shall  
 14-39 continue to be the depository of the authority [~~district~~] until its  
 14-40 successor is selected and qualified as herein provided. He shall  
 14-41 pay out no money except upon the conditions provided for in this  
 14-42 chapter [~~Act~~], and he shall carefully preserve on file all orders  
 14-43 for the payment of money; and, as often as required by the said  
 14-44 Commissioners Court, he shall render a correct account to them of  
 14-45 all matters pertaining to the financial condition of the authority  
 14-46 [~~district~~]. The County Treasurer shall execute a good and  
 14-47 sufficient bond, payable to the port commissioners [~~Navigation and~~  
 14-48 ~~Canal Commissioners of such district~~] and to their successors in  
 14-49 office for the benefit of the authority [~~said district~~] in an amount  
 14-50 to be fixed by the port commission [~~Navigation and Canal~~  
 14-51 ~~Commissioners~~], such bond to be conditioned for the faithful  
 14-52 performance of his duties as treasurer of the authority [~~such~~  
 14-53 ~~district~~] and to be approved by the port commission [~~said~~  
 14-54 ~~Navigation and Canal Commissioners~~]; provided whenever any bonds  
 14-55 are issued by the authority [~~such navigation district~~] the County  
 14-56 Treasurer before receiving the proceeds of sale thereof shall  
 14-57 execute additional good and sufficient bond payable to the port  
 14-58 commission [~~Navigation and Canal Commissioners of said district~~] in  
 14-59 an amount to be fixed by the port commission [~~Navigation and Canal~~  
 14-60 ~~Commissioners~~], which bond shall likewise be conditioned and  
 14-61 approved as aforesaid, but such additional bond shall not be  
 14-62 required after such Treasurer shall have properly disbursed the  
 14-63 proceeds of such bond issue; and the County Treasurer shall be  
 14-64 allowed such compensation for his services as treasurer of the  
 14-65 authority [~~such navigation district~~] as may be determined by the  
 14-66 port commission [~~said Navigation and Canal Commissioners~~], and such  
 14-67 compensation shall be paid to the Officers' Salary Fund of the  
 14-68 County.

14-69 (p) The authority [~~Harris County Houston Ship Channel~~

15-1 ~~Navigation District of Harris County, Texas,~~] shall acquire,  
 15-2 purchase, lease, maintain, repair and operate facilities and  
 15-3 equipment for preventing, detecting, controlling and fighting  
 15-4 fires on or adjacent to the waterways, channels and turning basins  
 15-5 within its jurisdiction and for the protection of life and property  
 15-6 from damage by fire and explosion. The authority [~~District~~] shall  
 15-7 promulgate and enforce ordinances, rules and regulations for the  
 15-8 promotion of the safety of life and property on or adjacent to the  
 15-9 waterways, channels and turning basins within its jurisdiction from  
 15-10 damages by fire and explosion thereon in the manner provided by  
 15-11 Subchapter D, Chapter 60, Water Code [~~Chapter 486, Acts of the 57th~~  
 15-12 ~~Legislature, Regular Session, 1961, as amended~~]. The powers and  
 15-13 functions herein authorized may be exercised both within and  
 15-14 without the corporate limits of any city, town or village situated  
 15-15 within the boundaries of the authority [~~District~~]. This chapter  
 15-16 [~~Act~~] shall be cumulative of all other laws on the subject but in  
 15-17 the event of conflict between this chapter [~~Act~~] and any law of this  
 15-18 state or any charter provision or ordinance of any such city, town  
 15-19 or village relating to the subject matter of this chapter [~~Act~~], the  
 15-20 provisions of this chapter [~~Act~~] shall control.

15-21 (q) The authority [~~Harris County Houston Ship Channel~~  
 15-22 ~~Navigation District of Harris County, Texas,~~] is authorized to  
 15-23 acquire, purchase, construct, enlarge, extend, repair, maintain,  
 15-24 operate, or develop traffic control facilities and everything  
 15-25 appurtenant thereto, together with all other facilities or aids  
 15-26 incident to or useful in the operation or development of the  
 15-27 authority's [~~district's~~] ports and waterways or in aid of  
 15-28 navigation and commerce thereon. The traffic control facilities  
 15-29 shall be financed out of available revenue and shall not utilize  
 15-30 bond revenue funds.

15-31 Sec. 5007.008 [~~3~~]. REFUNDING OF BONDS HERETOFORE VOTED.  
 15-32 The Commissioners Court shall have the power to issue bonds of the  
 15-33 authority [~~District~~] to refund bonds of the authority [~~District~~]  
 15-34 which have heretofore been voted and which are outstanding at the  
 15-35 time of the adoption of the refunding bond order, and no election  
 15-36 therefor shall be necessary. Such refunding bonds shall mature  
 15-37 serially or otherwise in not to exceed forty (40) years from their  
 15-38 date, and shall bear interest at the same or lower rate than the  
 15-39 bonds to be refunded unless it is shown mathematically that a saving  
 15-40 will result in the total amount of interest to be paid. Such  
 15-41 refunding bonds shall be approved by the Attorney General of Texas,  
 15-42 and shall be registered by the Comptroller of Public Accounts of  
 15-43 Texas upon surrender and cancellation of the bonds to be refunded,  
 15-44 but in lieu thereof, the order authorizing their issuance may  
 15-45 provide that they shall be sold and the proceeds thereof deposited  
 15-46 in the place or places where the bonds to be refunded are payable,  
 15-47 in which case the refunding bonds may be issued in an amount  
 15-48 sufficient to pay the principal of the bonds to be refunded and the  
 15-49 interest on such bonds to their option or maturity date, and the  
 15-50 Comptroller shall register them without the surrender and  
 15-51 cancellation of the bonds to be refunded. All such refunding bonds,  
 15-52 after they have been approved by the Attorney General and  
 15-53 registered by the Comptroller, shall be incontestable for any cause  
 15-54 except for forgery or fraud.

15-55 Sec. 5007.009 [4]. CONSTRUCTION OF CHAPTER [~~ACT~~]. This  
 15-56 chapter [~~Act~~] shall be cumulative of other laws, and shall be  
 15-57 liberally construed to effectuate the purposes set forth herein.  
 15-58 It is hereby found and declared that all property in the authority  
 15-59 [~~District~~], both real and personal, is benefited by the authority  
 15-60 [~~District~~] and by the improvements and facilities constructed or  
 15-61 acquired under this chapter [~~Act~~]. It is expressly provided that  
 15-62 nothing in this chapter [~~Act~~] shall be construed to amend, repeal,  
 15-63 or affect the laws relating to pilots, pilotage, their appointment,  
 15-64 or their remuneration.

15-65 Sec. 5007.010 [~~5A~~]. NAME AND TITLE CHANGES. (a) The name  
 15-66 of the Harris County Houston Ship Channel Navigation District of  
 15-67 Harris County, Texas, is changed to the Port of Houston Authority of  
 15-68 Harris County, Texas.

15-69 (b) The name of the Board of Navigation and the Canal

16-1 Commissioners of the authority is changed to the port commission,  
16-2 and the title of each member is port commissioner.

16-3 (c) The title of general manager of the authority is changed  
16-4 to executive director.

16-5 SECTION 5. Chapter 5007, Special District Local Laws Code,  
16-6 as added by this Act, is amended by adding Subchapter B to read as  
16-7 follows:

16-8 SUBCHAPTER B. ADMINISTRATION AND PLANNING

16-9 Sec. 5007.201. CONFLICT OF LAWS. To the extent of a  
16-10 conflict between this subchapter and any other law, including  
16-11 Subchapter A, this subchapter prevails.

16-12 Sec. 5007.202. PROVISIONS NOT APPLICABLE TO AUTHORITY.  
16-13 Chapter 90, Acts of the 49th Legislature, Regular Session, 1945,  
16-14 and Chapter 211, Acts of the 54th Legislature, Regular Session,  
16-15 1955, do not apply to the authority.

16-16 Sec. 5007.203. SUNSET REVIEW. (a) The authority is subject  
16-17 to review under Chapter 325, Government Code (Texas Sunset Act), as  
16-18 if it were a state agency but may not be abolished under that  
16-19 chapter. The review shall be conducted as if the authority were  
16-20 scheduled to be abolished September 1, 2017.

16-21 (b) The review must assess the authority's governance,  
16-22 management, and operating structure, and the authority's  
16-23 compliance with legislative requirements.

16-24 (c) The authority shall pay the cost incurred by the Sunset  
16-25 Advisory Commission in performing a review of the authority under  
16-26 this section. The Sunset Advisory Commission shall determine the  
16-27 cost, and the authority shall pay the amount promptly on receipt of  
16-28 a statement from the Sunset Advisory Commission detailing the cost.

16-29 (d) This section expires September 1, 2019.

16-30 Sec. 5007.204. GOVERNING BODY; APPOINTMENT; TERMS;  
16-31 VACANCY. (a) The authority is governed by a port commission of  
16-32 seven port commissioners appointed as follows:

16-33 (1) two port commissioners appointed by a majority of  
16-34 the city council of the City of Houston;

16-35 (2) two port commissioners appointed by a majority of  
16-36 the Harris County Commissioners Court;

16-37 (3) one port commissioner appointed by the city  
16-38 council of the City of Pasadena, who must reside in the city of  
16-39 Pasadena;

16-40 (4) one port commissioner appointed by a majority of  
16-41 the Harris County Mayors' and Councils' Association, who must be a  
16-42 resident of a municipality in Harris County that is located  
16-43 adjacent to the Houston Ship Channel and has a population of less  
16-44 than 100,000; and

16-45 (5) the chair of the port commission, appointed as  
16-46 described by Section 5007.205.

16-47 (b) Sections 61.159(a) and (d) and 61.160, Water Code, apply  
16-48 to the authority.

16-49 (c) The port commissioners serve staggered two-year terms  
16-50 that expire on February 1.

16-51 (d) A person is not eligible for appointment to the port  
16-52 commission if the person has previously served the equivalent of at  
16-53 least 12 full years on the port commission.

16-54 (e) Of the two port commissioners each appointed under  
16-55 Subsections (a)(1) and (2), one serves a term expiring in an  
16-56 even-numbered year and one serves a term expiring in an  
16-57 odd-numbered year. The port commissioner appointed under  
16-58 Subsection (a)(3) serves a term expiring in an odd-numbered year.  
16-59 The port commissioner appointed under Subsection (a)(4) serves a  
16-60 term expiring in an even-numbered year.

16-61 (f) Not later than the 45th day after the date on which a  
16-62 term expires or on which a vacancy begins, the appointing entity  
16-63 must appoint a new port commissioner. If the appointing entity  
16-64 fails to make the appointment before the 45th day, the office is  
16-65 considered an open position and the person serving in that position  
16-66 is ineligible for reappointment to fill the position, and:

16-67 (1) if the appointing entity is the city council of the  
16-68 City of Houston, the city council of the City of Pasadena, or the  
16-69 Harris County Mayors' and Councils' Association, the Harris County



17-1 Commissioners Court shall appoint a port commissioner to fill the  
 17-2 position; or

17-3 (2) if the appointing entity is the Harris County  
 17-4 Commissioners Court, the city council of the City of Houston shall  
 17-5 appoint a port commissioner to fill the position.

17-6 (g) If a second appointing entity under Subsection (f)(1) or  
 17-7 (2) fails to make an appointment before the 90th day after the date  
 17-8 on which the term expires or the vacancy begins:

17-9 (1) the office is considered an open position and the  
 17-10 person serving in that position is ineligible for reappointment to  
 17-11 fill the position; and

17-12 (2) the governor shall appoint a port commissioner to  
 17-13 fill the position with the advice and consent of the senate.

17-14 (h) If a vacancy occurs through death, resignation, or other  
 17-15 reason, the vacancy shall be filled in the manner provided for  
 17-16 making the original appointment and in accordance with Subsections  
 17-17 (f) and (g).

17-18 (i) The governor may appoint a port commissioner under  
 17-19 Subsection (g) only if the appointing entity under Subsection (f)  
 17-20 fails to make an appointment within the period described by this  
 17-21 section, and any subsequent appointment must be made by the  
 17-22 appropriate appointing entity.

17-23 Sec. 5007.205. APPOINTMENT OF CHAIR; TERM. (a) The City of  
 17-24 Houston mayor and city council and the Harris County Commissioners  
 17-25 Court shall jointly appoint the chair of the port commission in  
 17-26 January of odd-numbered years. The term of the chair expires on  
 17-27 February 1 of each odd-numbered year.

17-28 (b) If the mayor, city council, and commissioners court do  
 17-29 not make an appointment within the period specified by this  
 17-30 section, the governor shall appoint the chair of the port  
 17-31 commission with the advice and consent of the senate. The governor  
 17-32 may appoint the chair only if the original appointing entities fail  
 17-33 to make an appointment within the period described by this section,  
 17-34 and any subsequent appointment must be made by the appointing  
 17-35 entities.

17-36 (c) The person appointed as the chair of the port commission  
 17-37 must comply with the qualifications described by Section 61.160,  
 17-38 Water Code.

17-39 (d) On the second Monday of January in each odd-numbered  
 17-40 year, the City of Houston mayor and city council, the Harris County  
 17-41 commissioners, and the Harris County judge shall hold a joint  
 17-42 meeting to appoint the chair of the port commission at the  
 17-43 headquarters of the authority.

17-44 (e) In the meeting held under Subsection (d):

17-45 (1) each city council member and the mayor shall have  
 17-46 one vote; and

17-47 (2) each county commissioner and the county judge  
 17-48 shall have the mixed-fraction number of votes equal to the sum of  
 17-49 the number of city council members plus the mayor divided by the sum  
 17-50 of the number of county commissioners plus the county judge.

17-51 (f) The presence of individuals with a majority of the total  
 17-52 potential votes is required to establish a quorum at the meeting. A  
 17-53 separate quorum from each group, representing the city and the  
 17-54 county, is not required. The chair must be appointed by at least a  
 17-55 majority of the total potential votes, in any combination.

17-56 (g) In the event of a tie, the city council, mayor, county  
 17-57 commissioners, and county judge have three calendar days to  
 17-58 deliberate, convene a meeting, and revote. The period may be  
 17-59 extended to allow for compliance with Chapter 551, Government Code,  
 17-60 as it applies to the notice requirement for an open meeting. If a  
 17-61 second vote results in a tie:

17-62 (1) the office of the chair of the port commission is  
 17-63 considered an open position and the person serving as the chair is  
 17-64 not eligible for reappointment to fill the position; and

17-65 (2) the governor shall appoint the chair as provided  
 17-66 by Subsection (b).

17-67 Sec. 5007.206. NAVIGATION BOARD. The navigation board of  
 17-68 the authority is composed of the county judge and county  
 17-69 commissioners of Harris County, the mayor and city council members

18-1 of the City of Houston, and the members of the Harris County Mayors'  
 18-2 and Councils' Association.

18-3 Sec. 5007.207. CONFLICT OF INTEREST. (a) In this section,  
 18-4 "Texas trade association" means a cooperative and voluntarily  
 18-5 joined statewide association of business or professional  
 18-6 competitors in this state designed to assist its members and its  
 18-7 industry or profession in dealing with mutual business or  
 18-8 professional problems and in promoting their common interest.

18-9 (b) A person may not be a port commissioner and may not be an  
 18-10 authority employee employed in a "bona fide executive,  
 18-11 administrative, or professional capacity," as that phrase is used  
 18-12 for purposes of establishing an exemption to the overtime  
 18-13 provisions of the federal Fair Labor Standards Act of 1938 (29  
 18-14 U.S.C. Section 201 et seq.), if:

18-15 (1) the person is an officer, employee, or paid  
 18-16 consultant of a Texas trade association in a field relating to  
 18-17 maritime commerce, the members of which are regulated by the  
 18-18 authority; or

18-19 (2) the person's spouse is an officer, manager, or paid  
 18-20 consultant of a Texas trade association in a field relating to  
 18-21 maritime commerce, the members of which are regulated by the  
 18-22 authority.

18-23 (c) A person may not be a port commissioner or act as the  
 18-24 general counsel to the port commission or the authority if the  
 18-25 person is required to register as a lobbyist under Chapter 305,  
 18-26 Government Code, because of the person's activities for  
 18-27 compensation on behalf of a profession related to the operation of  
 18-28 the authority.

18-29 (d) A person may not be a port commissioner if the person or  
 18-30 an individual related to the person in the first degree of  
 18-31 consanguinity or affinity, as determined under Chapter 573,  
 18-32 Government Code:

18-33 (1) is employed by or participates in the management  
 18-34 of a business entity or other organization regulated by or  
 18-35 receiving money from the authority; or

18-36 (2) uses or receives a substantial amount of tangible  
 18-37 goods, services, or money from the authority other than  
 18-38 compensation or reimbursement authorized by law for port commission  
 18-39 membership, attendance, or expenses.

18-40 Sec. 5007.208. FILING OF FINANCIAL STATEMENT BY PORT  
 18-41 COMMISSIONERS. (a) A port commissioner shall file the financial  
 18-42 statement required of state officers under Subchapter B, Chapter  
 18-43 572, Government Code, with:

18-44 (1) the authority; and  
 18-45 (2) the Texas Ethics Commission.

18-46 (b) Subchapter B, Chapter 572, Government Code:

18-47 (1) applies to a port commissioner subject to this  
 18-48 section as if the port commissioner were a state officer; and

18-49 (2) governs the contents of, timeliness of filing,  
 18-50 public inspection of, and civil and criminal penalties relating to  
 18-51 a statement filed under this section.

18-52 Sec. 5007.209. PORT COMMISSIONER TRAINING. (a) A person  
 18-53 who is appointed to and qualifies for office as a port commissioner  
 18-54 may not vote, deliberate, or be counted as a port commissioner in  
 18-55 attendance at a meeting of the port commission until the person  
 18-56 completes a training program that complies with this section.

18-57 (b) The training program must provide the person with  
 18-58 information regarding:

18-59 (1) the legislation that created the authority;

18-60 (2) the programs, functions, policies, rules, and  
 18-61 budget of the authority;

18-62 (3) the results of the most recent formal audit of the  
 18-63 authority;

18-64 (4) the duties of the port commission as the board of  
 18-65 pilot commissioners for Harris County ports under Chapter 66,  
 18-66 Transportation Code;

18-67 (5) the requirements of laws relating to open  
 18-68 meetings, public information, administrative procedure, financial  
 18-69 disclosure, and conflicts of interest; and

19-1 (6) any applicable ethics policies adopted by the port  
 19-2 commission or the Texas Ethics Commission.

19-3 (c) A person appointed to the port commission is entitled to  
 19-4 reimbursement for the travel expenses incurred in attending the  
 19-5 training program regardless of whether the attendance at the  
 19-6 program occurs before or after the person qualifies for office.

19-7 Sec. 5007.210. REMOVAL FROM OFFICE. (a) It is a ground for  
 19-8 removal from the port commission that a port commissioner:

19-9 (1) does not have at the time of taking office the  
 19-10 qualifications required by Section 5007.204;

19-11 (2) does not maintain during service on the port  
 19-12 commission the qualifications required by Section 5007.204;

19-13 (3) is ineligible for membership under Section  
 19-14 5007.207;

19-15 (4) cannot, because of illness or disability,  
 19-16 discharge the port commissioner's duties for a substantial part of  
 19-17 the port commissioner's term;

19-18 (5) commits malfeasance in office; or

19-19 (6) is absent from more than half of the regularly  
 19-20 scheduled port commission meetings that the port commissioner is  
 19-21 eligible to attend during a calendar year without an excuse  
 19-22 approved by a majority vote of the port commission.

19-23 (b) The validity of an action of the port commission is not  
 19-24 affected by the fact that it is taken when a ground for removal of a  
 19-25 port commissioner exists.

19-26 (c) If the executive director has knowledge that a potential  
 19-27 ground for removal exists, the executive director shall notify the  
 19-28 chair of the port commission of the potential ground. The chair  
 19-29 shall then notify the entity that appointed the port commissioner  
 19-30 that a potential ground for removal exists. If the potential ground  
 19-31 for removal involves the chair, the executive director shall notify  
 19-32 the next highest ranking officer of the port commission, who shall  
 19-33 then notify the entities who appointed the chair that a potential  
 19-34 ground for removal exists.

19-35 Sec. 5007.211. PORT COMMISSION POLICIES. (a) The port  
 19-36 commission shall adopt detailed policies that document its  
 19-37 governance practices and make those policies available on the  
 19-38 authority's website.

19-39 (b) The port commission shall develop and implement  
 19-40 policies that clearly separate the policymaking responsibilities  
 19-41 of the port commission and the management responsibilities of the  
 19-42 executive director and the other employees of the authority.

19-43 (c) The port commission shall distribute a copy of all  
 19-44 policies adopted under this subchapter to each port commissioner  
 19-45 and authority employee not later than the third business day after  
 19-46 the date the person begins employment or a term as port  
 19-47 commissioner.

19-48 Sec. 5007.212. EXECUTIVE DIRECTOR. (a) The port commission  
 19-49 shall appoint an executive director of the authority. The port  
 19-50 commission shall prescribe the duties and compensation of the  
 19-51 executive director. The port commission may delegate to the  
 19-52 executive director full authority to manage and operate the affairs  
 19-53 of the authority subject only to orders of the port commission.

19-54 (b) The port commission shall delegate to the executive  
 19-55 director the authority to employ all persons necessary for the  
 19-56 proper handling of the business and operation of the authority and  
 19-57 to determine the compensation to be paid to all employees, other  
 19-58 than the executive director or the chief audit executive employed  
 19-59 under Section 5007.226(c).

19-60 (c) The executive director shall execute a bond for \$10,000  
 19-61 conditioned on the faithful performance of the executive director's  
 19-62 duties and other conditions as required by the authority. The bond  
 19-63 must be recorded in a record kept for that purpose in the  
 19-64 authority's office.

19-65 (d) The port commission by general or special rule,  
 19-66 regulation, order, resolution, or other direction may authorize the  
 19-67 executive director or another person authorized to act instead of  
 19-68 the executive director to perform any act on behalf of the port  
 19-69 commission.

20-1 Sec. 5007.213. STANDARDS OF CONDUCT; ETHICS POLICY. (a) A  
20-2 port commissioner or an authority employee should not:

20-3 (1) accept or solicit any gift, favor, or service that  
20-4 might reasonably tend to influence the port commissioner or  
20-5 employee in the discharge of official duties or that the port  
20-6 commissioner or employee knows or should know is being offered with  
20-7 the intent to influence the port commissioner's or employee's  
20-8 official conduct;

20-9 (2) accept other employment or engage in a business or  
20-10 professional activity that the port commissioner or employee might  
20-11 reasonably expect would require or induce the port commissioner or  
20-12 employee to disclose confidential information acquired by reason of  
20-13 the official position;

20-14 (3) accept other employment or compensation that could  
20-15 reasonably be expected to impair the port commissioner's or  
20-16 employee's independence of judgment in the performance of the port  
20-17 commissioner's or employee's official duties;

20-18 (4) make personal investments that could reasonably be  
20-19 expected to create a substantial conflict between the port  
20-20 commissioner's or employee's private interest and the public  
20-21 interest; or

20-22 (5) intentionally or knowingly solicit, accept, or  
20-23 agree to accept any benefit for having exercised the port  
20-24 commissioner's or employee's official powers or performed the port  
20-25 commissioner's or employee's official duties in favor of another.

20-26 (b) The port commission shall adopt a written ethics policy  
20-27 for the port commissioners and authority employees consistent with  
20-28 the standards prescribed by Subsection (a).

20-29 Sec. 5007.214. ETHICS AFFIRMATION AND HOTLINE. (a) A port  
20-30 commissioner or an authority employee shall annually affirm the  
20-31 port commissioner's or employee's adherence to the ethics policy  
20-32 adopted under Section 5007.213.

20-33 (b) The port commission shall establish and operate a  
20-34 telephone hotline that enables a person to call the hotline number,  
20-35 anonymously or not anonymously, to report alleged fraud, waste, or  
20-36 abuse or an alleged violation of the ethics policy adopted under  
20-37 Section 5007.213.

20-38 Sec. 5007.215. COMPLAINTS. (a) The authority shall  
20-39 maintain a system to promptly and efficiently act on complaints  
20-40 filed with the authority. The authority shall maintain information  
20-41 about parties to the complaint, the subject matter of the  
20-42 complaint, a summary of the results of the review or investigation  
20-43 of the complaint, and its disposition.

20-44 (b) The authority shall make information available to the  
20-45 public, including on the authority's website, describing its  
20-46 procedures for complaint investigation and resolution.

20-47 (c) The authority shall periodically notify the complaint  
20-48 parties of the status of the complaint until final disposition.

20-49 (d) The authority shall develop a standard form and a  
20-50 procedure for submitting complaints to the authority and shall make  
20-51 that form and procedure available on the authority's website. The  
20-52 authority shall also make available on its website clear  
20-53 information about what a person making a complaint should expect  
20-54 after the complaint is filed, including timelines for response and  
20-55 resolution.

20-56 (e) The authority shall compile detailed statistics and  
20-57 analyze trends on complaint information, including:

20-58 (1) the nature of the complaints;  
20-59 (2) the disposition of the complaints; and  
20-60 (3) the length of time to resolve complaints.

20-61 (f) Authority staff shall report the information compiled  
20-62 under Subsection (e) to senior management as designated by the  
20-63 executive director and the port commission on a regular basis.

20-64 Sec. 5007.216. PUBLIC INVOLVEMENT POLICY. The port  
20-65 commission shall develop and implement a policy that provides a  
20-66 structure for public involvement. The policy must include:

20-67 (1) a clear and detailed description of how the  
20-68 authority will seek to actively engage stakeholders;

20-69 (2) specific actions the authority will take to meet

21-1 or exceed the requirements of laws related to open meetings; and  
21-2 (3) strategies that include use of the authority's  
21-3 website to make available clear, updated information on issues of  
21-4 public concern.

21-5 Sec. 5007.217. WHISTLEBLOWER POLICY. The port commission  
21-6 shall adopt a whistleblower policy consistent with Chapter 554,  
21-7 Government Code.

21-8 Sec. 5007.218. EXPENSE POLICY. The port commission shall  
21-9 adopt an expense policy that includes:

21-10 (1) spending guidelines for meals, lodging, and  
21-11 entertainment, including a process for handling and documenting  
21-12 exceptions to the guidelines if business needs require an  
21-13 exception;

21-14 (2) clear expense report protocols, including:

21-15 (A) the use of cash advances;

21-16 (B) the separation of reports from port  
21-17 commissioners and authority employees; and

21-18 (C) clear lines of accountability for the  
21-19 submission of reports; and

21-20 (3) a prohibition on the use of authority funds for a  
21-21 meal for a port commissioner or an authority employee that is not  
21-22 part of approved travel for authority business or part of a  
21-23 business-related function with outside parties.

21-24 Sec. 5007.219. PROMOTION AND DEVELOPMENT FUND. (a) In this  
21-25 section, "promotion and development fund" means a fund created and  
21-26 managed under Subchapter H, Chapter 60, Water Code.

21-27 (b) The port commission shall adopt clear, complete policy  
21-28 and procedures to govern the use of the promotion and development  
21-29 fund. The policy and procedures must include:

21-30 (1) provisions limiting acceptable uses of promotion  
21-31 and development fund money to uses with a direct tie to the mission  
21-32 of the authority;

21-33 (2) a consistent budget process;

21-34 (3) a process for requesting sponsorship funds by port  
21-35 commissioners, authority employees, and outside groups;

21-36 (4) an approval process for each type of expenditure  
21-37 from the promotion and development fund, including:

21-38 (A) the level of approval or notification  
21-39 required for authority employees, applicable task forces, and the  
21-40 port commission; and

21-41 (B) a requirement that each approved expenditure  
21-42 must include a description of:

21-43 (i) the expected impact of the expenditure;  
21-44 and

21-45 (ii) how the expenditure is consistent with  
21-46 the strategic direction for promotion and development fund money as  
21-47 adopted by the port commission;

21-48 (5) a procedure for handling exceptions to the policy,  
21-49 including a requirement that an exception be subject to the same  
21-50 reporting requirements as other approved expenditures from the  
21-51 promotion and development fund;

21-52 (6) a provision for evaluating the policy's  
21-53 effectiveness and having the port commission adopt updates to the  
21-54 policy as needed at regularly scheduled public meetings; and

21-55 (7) requirements for regular tracking of all  
21-56 expenditures from the promotion and development fund and reporting  
21-57 of the expenditures to the port commission and to the public by  
21-58 making the reports available on the authority's website.

21-59 (c) A report described by Subsection (b)(7) must include  
21-60 detailed information about:

21-61 (1) travel by port commissioners;

21-62 (2) special uses of the authority's resources,  
21-63 including the use of any public tour vessels and the associated  
21-64 costs, sorted by authority division;

21-65 (3) sponsorship and similar spending; and

21-66 (4) total expenditures from the promotion and  
21-67 development fund, including year-to-date summary information by  
21-68 category of expenditure.

21-69 Sec. 5007.220. PLANNING DEFINITIONS. For the purposes of

22-1 Sections 5007.221, 5007.222, 5007.224, and 5007.225:

22-2           (1) "Long-range plan" means the plan developed under

22-3 Section 5007.221.

22-4           (2) "Mid-range plan" means the plan developed under

22-5 Section 5007.222.

22-6           (3) "One-year capital plan" means the plan developed

22-7 under Section 5007.224.

22-8           (4) "Staff" means one or more authority employees and

22-9 does not include a port commissioner.

22-10           Sec. 5007.221. LONG-RANGE PLANNING. (a) Appropriate staff

22-11 shall develop a long-range plan containing:

22-12           (1) a mission and values statement;

22-13           (2) an assessment of the authority's state as of the

22-14 date of the plan;

22-15           (3) an assessment of the projected operating

22-16 environment over the course of the long-range plan;

22-17           (4) a discussion of high-level goals, strategies, and

22-18 priorities;

22-19           (5) a scheme for ongoing evaluation of progress toward

22-20 stated goals, including performance measures; and

22-21           (6) other strategic planning elements, as considered

22-22 appropriate by the staff or port commission.

22-23           (b) The port commission shall establish a planning horizon

22-24 of at least 10 years for the long-range plan.

22-25           (c) The staff shall identify and collaborate with

22-26 stakeholders to obtain input on the long-range plan.

22-27           (d) The port commission may amend and shall adopt the plan

22-28 and any updates to the plan in an open meeting.

22-29           (e) The staff shall provide annual progress updates

22-30 according to performance measures developed under Subsection

22-31 (a)(5). The staff shall present a report on the annual progress to

22-32 the port commission.

22-33           (f) The staff shall complete a comprehensive reevaluation

22-34 and update of the long-range plan at least every five years, or more

22-35 frequently if the port commission finds that conditions warrant a

22-36 more frequent update.

22-37           Sec. 5007.222. MID-RANGE PLANNING. (a) Appropriate staff

22-38 shall develop a mid-range plan consistent with the long-range plan.

22-39 The mid-range plan must include:

22-40           (1) a five-year financial forecast addressing the

22-41 financial needs and financing options of the authority for the

22-42 five-year period, with information about the relative cost of the

22-43 options;

22-44           (2) a five-year capital plan, including a preliminary

22-45 analysis and prioritization of projects; and

22-46           (3) other detailed action plans as the port commission

22-47 or staff finds necessary to achieve the goals of the mid-range plan

22-48 or long-range plan.

22-49           (b) The staff shall present the mid-range plan in an open

22-50 meeting of the port commission. The port commission is not required

22-51 to adopt a mid-range plan.

22-52           Sec. 5007.223. BUDGET. The port commission shall annually

22-53 adopt a budget for the authority in an open meeting.

22-54           Sec. 5007.224. ONE-YEAR CAPITAL PLAN. (a) Appropriate

22-55 staff shall develop a one-year capital plan, including associated

22-56 financing, that is integrated with the budget of the authority.

22-57           (b) The port commission shall adopt the one-year capital

22-58 plan in an open meeting.

22-59           (c) The port commission shall establish and document a

22-60 detailed process for the analysis and approval of a project

22-61 proposed for inclusion in the one-year capital plan. A project may

22-62 be included in the one-year capital plan only if it is approved in

22-63 accordance with that process.

22-64           Sec. 5007.225. PUBLIC ACCESS TO BUDGET AND PLANNING

22-65 INFORMATION. (a) The port commission shall post on the authority's

22-66 website and otherwise make available to the public the authority's

22-67 most recently adopted budget and any plan adopted by the port

22-68 commission at an open meeting, including the long-range plan,

22-69 mid-range plan, one-year capital plan, and updates to that budget

23-1 or those plans.  
 23-2 (b) The port commission may redact sensitive business  
 23-3 information from the plans made publicly available under this  
 23-4 section.  
 23-5 Sec. 5007.226. INTERNAL AUDIT. (a) The port commission  
 23-6 shall establish an internal audit procedure consistent with the  
 23-7 purposes, duties, and standards for state agency internal audit  
 23-8 procedures under Chapter 2102, Government Code.  
 23-9 (b) The port commission shall create an internal audit task  
 23-10 force consisting of port commissioners.  
 23-11 (c) The port commission only shall hire and may fire or  
 23-12 suspend a chief audit executive, who shall report to the internal  
 23-13 audit task force. The chief audit executive shall coordinate all  
 23-14 audit activity, including:  
 23-15 (1) compliance reviews;  
 23-16 (2) reviews of internal controls;  
 23-17 (3) audits by the county auditor of Harris County;  
 23-18 (4) contracted audits;  
 23-19 (5) performance reviews; and  
 23-20 (6) investigations of alleged fraud, waste, abuse, or  
 23-21 ethics violations reported under Section 5007.214(b).  
 23-22 (d) The chief audit executive shall monitor the authority's  
 23-23 compliance with statutory requirements governing use of the  
 23-24 promotion and development fund, as defined by Section 5007.219(a).  
 23-25 (e) The port commission shall create, approve, and make  
 23-26 available on the authority's website a risk-based annual audit  
 23-27 plan.  
 23-28 (f) The port commission shall make internal audits  
 23-29 available on request to:  
 23-30 (1) the county auditor of Harris County; and  
 23-31 (2) any entity with the authority to appoint a port  
 23-32 commissioner.  
 23-33 Sec. 5007.227. HARRIS COUNTY AUDITOR. (a) The county  
 23-34 auditor of Harris County may conduct a financial audit of the  
 23-35 authority as part of an annual, county-wide risk assessment and  
 23-36 audit plan. An audit performed under this subsection must be  
 23-37 conducted in accordance with generally accepted auditing standards  
 23-38 as prescribed by:  
 23-39 (1) the American Institute of Certified Public  
 23-40 Accountants;  
 23-41 (2) the Governmental Accounting Standards Board;  
 23-42 (3) the United States Government Accountability  
 23-43 Office; or  
 23-44 (4) any other professionally recognized entity that  
 23-45 prescribes auditing standards.  
 23-46 (b) The county auditor of Harris County may not conduct an  
 23-47 operational audit of the authority or any audit that exceeds the  
 23-48 scope of the audit described in Subsection (a).  
 23-49 (c) The authority shall reimburse the county auditor of  
 23-50 Harris County for an audit conducted under Subsection (a),  
 23-51 according to standard rates agreed to by the authority and the  
 23-52 county before an audit is scheduled or performed. The rates shall  
 23-53 be updated periodically.  
 23-54 (d) Sections 60.204(c) and 61.174(b) and (c), Water Code, do  
 23-55 not apply to the authority.  
 23-56 Sec. 5007.228. ACCEPTANCE OF GIFTS. (a) In this section,  
 23-57 "gift" means a gift, grant, donation, or bequest of money or  
 23-58 property accepted under Section 60.124, Water Code, that has a  
 23-59 value of \$500 or more.  
 23-60 (b) The authority may accept a gift only if, not later than  
 23-61 the 90th day after the date the port commission receives the gift,  
 23-62 the port commission, in an open meeting, acknowledges the  
 23-63 acceptance of the gift.  
 23-64 (c) For a gift accepted under Subsection (b), the authority  
 23-65 must record the name of the donor, a description of the gift, and a  
 23-66 statement of the purpose of the gift in the minutes of the port  
 23-67 commission.  
 23-68 SECTION 6. The following provisions are repealed:  
 23-69 (1) Sections 2, 3, 4, 5, 6, and 7a, Chapter 97, Acts of

24-1 the 40th Legislature, 1st Called Session, 1927;

24-2 (2) Section 9, Chapter 97, Acts of the 40th  
24-3 Legislature, 1st Called Session, 1927, as added by Section 22,  
24-4 Chapter 1027, Acts of the 82nd Legislature, Regular Session, 2011;

24-5 (3) Section 9, Chapter 97, Acts of the 40th  
24-6 Legislature, 1st Called Session, 1927, as added by Section 1.10,  
24-7 Chapter 1232, Acts of the 82nd Legislature, Regular Session, 2011;

24-8 (4) Sections 2 and 3, Chapter 86, Acts of the 49th  
24-9 Legislature, Regular Session, 1945;

24-10 (5) Sections 5, 6, and 7, Chapter 117, Acts of the 55th  
24-11 Legislature, Regular Session, 1957;

24-12 (6) Sections 2 and 3, Chapter 186, Acts of the 57th  
24-13 Legislature, Regular Session, 1961;

24-14 (7) Section 2, Chapter 43, Acts of the 62nd  
24-15 Legislature, Regular Session, 1971; and

24-16 (8) Sections 2 and 3, Chapter 1042, Acts of the 70th  
24-17 Legislature, Regular Session, 1987.

24-18 SECTION 7. (a) If a port commissioner of the Port of Houston  
24-19 Authority of Harris County, Texas, serving on the effective date of  
24-20 this Act has served before that date the equivalent of at least 12  
24-21 full years on the port commission, that port commissioner's term  
24-22 expires on October 1, 2013.

24-23 (b) For a term that expires under Subsection (a) of this  
24-24 section, not later than October 2, 2013, the appropriate entity  
24-25 shall make an appointment as described by Section 5007.204, Special  
24-26 District Local Laws Code, as added by this Act, to a term as  
24-27 provided by Subsection (d) of this section.

24-28 (c) If a port commissioner, including the chair of the port  
24-29 commission, serving on the effective date of this Act has not served  
24-30 before that date the equivalent of 12 full years on the port  
24-31 commission, that person is reappointed to a term as provided in  
24-32 Subsection (d) of this section.

24-33 (d) The initial term for a person appointed or reappointed  
24-34 under Subsection (b) or (c) of this section shall be designated by  
24-35 the appropriate appointing entity in accordance with Sections  
24-36 5007.204(e) and 5007.205(a), Special District Local Laws Code, as  
24-37 added by this Act. For purposes of the initial appointments or  
24-38 reappointments made under this section:

24-39 (1) a term that ends in an even-numbered year expires  
24-40 February 1, 2016; and

24-41 (2) a term that ends in an odd-numbered year expires  
24-42 February 1, 2015.

24-43 (e) A person is not eligible for an initial appointment or  
24-44 reappointment under Subsection (b) or (c) of this section, or for  
24-45 any appointment to the port commission after the effective date of  
24-46 this Act, if the person has served the equivalent of at least 12  
24-47 full years on the port commission before the effective date of this  
24-48 Act.

24-49 (f) Notwithstanding Section 5007.204(d), Special District  
24-50 Local Laws Code, as added by this Act, the person serving as chair  
24-51 on the effective date of this Act may not be reappointed as the  
24-52 chair after the sixth anniversary of the first date on which the  
24-53 person was appointed as chair.

24-54 SECTION 8. (a) Not later than December 1, 2013, the port  
24-55 commissioners of the Port of Houston Authority of Harris County,  
24-56 Texas, shall adopt the policies, plans, and procedures necessary to  
24-57 implement Subchapter B, Chapter 5007, Special District Local Laws  
24-58 Code, as added by this Act.

24-59 (b) Notwithstanding Section 5007.211, Special District  
24-60 Local Laws Code, as added by this Act, all policies adopted by the  
24-61 port commission of the Port of Houston Authority of Harris County,  
24-62 Texas, shall be distributed to:

24-63 (1) each port commissioner and authority employee who  
24-64 holds the office of commissioner or is employed by the authority on  
24-65 October 2, 2013, not later than December 1, 2013;

24-66 (2) each employee hired after October 2, 2013, not  
24-67 later than the third business day after the date the person begins  
24-68 employment with the authority or December 1, 2013, whichever is  
24-69 later; and



25-1 (3) each port commissioner whose term of office begins  
25-2 after October 2, 2013, not later than the third business day after  
25-3 the date the person qualifies for office or December 1, 2013,  
25-4 whichever is later.

25-5 SECTION 9. (a) The legal notice of the intention to  
25-6 introduce this Act, setting forth the general substance of this  
25-7 Act, has been published as provided by law, and the notice and a  
25-8 copy of this Act have been furnished to all persons, agencies,  
25-9 officials, or entities to which they are required to be furnished  
25-10 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
25-11 Government Code.

25-12 (b) The governor, one of the required recipients, has  
25-13 submitted the notice and Act to the Texas Commission on  
25-14 Environmental Quality.

25-15 (c) The Texas Commission on Environmental Quality has filed  
25-16 its recommendations relating to this Act with the governor, the  
25-17 lieutenant governor, and the speaker of the house of  
25-18 representatives within the required time.

25-19 (d) All requirements of the constitution and laws of this  
25-20 state and the rules and procedures of the legislature with respect  
25-21 to the notice, introduction, and passage of this Act are fulfilled  
25-22 and accomplished.

25-23 SECTION 10. This Act takes effect September 1, 2013.

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