

By: Creighton
(Deshotel)

S.B. No. 1137

A BILL TO BE ENTITLED

AN ACT

relating to improvement projects of the Sabine-Neches Navigation District of Jefferson County, Texas; providing authority to issue anticipation notes and time warrants.

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

SECTION 1. Chapter 1472, Acts of the 77th Legislature, Regular Session, 2001, is amended by adding Section 6B to read as follows:

Sec. 6B. WATERWAY IMPROVEMENT PROJECT. (a) In this section:

(1) "Improvement project" means the Sabine-Neches Waterway Improvement Project.

(2) "Project sponsor" has the meaning assigned by the Water Resources Reform and Development Act of 2014 (Pub. L. No. 113-121).

(b) The district is the project sponsor of the existing Sabine-Neches Waterway and the improvement project authorized by the Water Resources Reform and Development Act of 2014 (Pub. L. No. 113-121) to improve an existing facility of the district and deepen the Sabine-Neches Waterway. The district is also the nonfederal cost-sharing sponsor of the improvement project. The commission shall make a determination on matters that may be required or desirable as a project sponsor to implement the improvement project.

1 (c) In the district's capacity as the project sponsor of the
2 improvement project, the district is authorized to enter into any
3 contract, agreement, including an economic development agreement,
4 or lease as necessary or convenient to carry out any of the
5 district's powers granted under this section. A contract,
6 agreement, or lease, including any amendments to a contract,
7 agreement, or lease, may provide any terms and conditions, and be
8 for any term of years, as the commission determines are in the best
9 interests of the district. The contract, agreement, or lease may be
10 entered into with any person, political subdivision, or
11 governmental agency, including the United States, the secretary of
12 the army or the secretary of the army's designees, the Army Corps of
13 Engineers, any local government, any county government, any special
14 district or authority, any local government corporation, any
15 transportation corporation, any tax increment reinvestment zone,
16 the State of Texas, any agency of the State of Texas, and any other
17 entity. The district is authorized to enter into contracts with a
18 private entity to develop or operate any part of the improvement
19 project under Chapter 2267, Government Code, and those contracts
20 may provide that the private entity:

21 (1) perform all or any part of the district's
22 obligations under contracts or agreements with the United States;
23 and

24 (2) use revenue or other money from the improvement
25 project to prepay for duties or tariffs, including duties or
26 tariffs that may not be effective until the improvement project is
27 partially or wholly completed, which may be credited against future

1 duties or tariffs.

2 (d) The district may enter into a contract, agreement, or
3 lease under Section 49.108 or 60.120, Water Code, as determined by
4 the commission.

5 (e) The district is not required to obtain approval from the
6 Texas Commission on Environmental Quality for the district's
7 contracts or financing related to the improvement project. Any
8 contracts or agreements of the district may be renewed or extended,
9 and any time warrants or maintenance notes may be refunded in the
10 manner provided by general law.

11 (f) The district may provide that payments required by any
12 of the district's contracts, agreements, or leases may be payable
13 from the sale of notes, taxes, or bonds, or any combination of
14 notes, taxes, or bonds, or may be secured by a lien on or a pledge of
15 any available funds, including proceeds of the district's
16 maintenance tax, and may be payable subject to annual appropriation
17 by the district. Sections 26.04, 26.05, 26.07, and 26.012, Tax
18 Code, do not apply to maintenance taxes levied and collected for
19 payments under a contract, agreement, lease, time warrant, or
20 maintenance note issued or executed under this section.

21 (g) The district is authorized to borrow money, receive
22 advances of funds, and enter into repayment agreements for the
23 repayment of borrowed money or advances, and to issue anticipation
24 notes, time warrants, and maintenance notes. The anticipation
25 notes may be issued in accordance with Chapter 1431, Government
26 Code, in the same manner as an eligible countywide district. Tax
27 anticipation notes issued under this subsection may not exceed 75

1 percent of the revenue or taxes anticipated to be collected in that
2 year and shall be payable during the district's current fiscal
3 year. Time warrants and maintenance notes issued under this
4 subsection may be issued to pay for any lawful expenditure of the
5 district and shall be payable over a period not to exceed 35 years
6 from the date of issuance.

7 (h) The commission shall determine whether the amount of the
8 district's maintenance taxes and other available resources
9 required to pay the district's existing obligations is also
10 sufficient to pay the debt service on any time warrants or
11 maintenance notes issued under this section. In evaluating the tax
12 rate, the commission may include in the district's budget an
13 improvement project fund, which may be funded to assure that
14 adequate funds are available to the district to comply with the
15 district's covenants and obligations during future years when the
16 amounts projected to be needed will exceed the then-current
17 available maintenance tax funds.

18 SECTION 2. (a) The legal notice of the intention to
19 introduce this Act, setting forth the general substance of this
20 Act, has been published as provided by law, and the notice and a
21 copy of this Act have been furnished to all persons, agencies,
22 officials, or entities to which they are required to be furnished
23 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
24 Government Code.

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

1 (c) The Texas Commission on Environmental Quality has filed
2 its recommendations relating to this Act with the governor, the
3 lieutenant governor, and the speaker of the house of
4 representatives within the required time.

5 (d) All requirements of the constitution and laws of this
6 state and the rules and procedures of the legislature with respect
7 to the notice, introduction, and passage of this Act are fulfilled
8 and accomplished.

9 SECTION 3. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2015.