

1-1 By: Creighton S.B. No. 1137  
1-2 (In the Senate - Filed March 10, 2015; March 17, 2015, read  
1-3 first time and referred to Committee on Agriculture, Water, and  
1-4 Rural Affairs; April 1, 2015, reported favorably by the following  
1-5 vote: Yeas 7, Nays 0; April 1, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	<u>Perry</u>	X		
1-9	<u>Zaffirini</u>	X		
1-10	<u>Creighton</u>	X		
1-11	<u>Hall</u>	X		
1-12	<u>Hinojosa</u>	X		
1-13	<u>Kolkhorst</u>	X		
1-14	<u>Rodríguez</u>	X		

1-15 A BILL TO BE ENTITLED  
1-16 AN ACT

1-17 relating to improvement projects of the Sabine-Neches Navigation  
1-18 District of Jefferson County, Texas; providing authority to issue  
1-19 anticipation notes and time warrants.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Chapter 1472, Acts of the 77th Legislature,  
1-22 Regular Session, 2001, is amended by adding Section 6B to read as  
1-23 follows:

1-24 Sec. 6B. WATERWAY IMPROVEMENT PROJECT. (a) In this  
1-25 section:

1-26 (1) "Improvement project" means the Sabine-Neches  
1-27 Waterway Improvement Project.

1-28 (2) "Project sponsor" has the meaning assigned by the  
1-29 Water Resources Reform and Development Act of 2014 (Pub. L. No.  
1-30 113-121).

1-31 (b) The district is the project sponsor of the existing  
1-32 Sabine-Neches Waterway and the improvement project authorized by  
1-33 the Water Resources Reform and Development Act of 2014 (Pub. L. No.  
1-34 113-121) to improve an existing facility of the district and deepen  
1-35 the Sabine-Neches Waterway. The district is also the nonfederal  
1-36 cost-sharing sponsor of the improvement project. The commission  
1-37 shall make a determination on matters that may be required or  
1-38 desirable as a project sponsor to implement the improvement  
1-39 project.

1-40 (c) In the district's capacity as the project sponsor of the  
1-41 improvement project, the district is authorized to enter into any  
1-42 contract, agreement, including an economic development agreement,  
1-43 or lease as necessary or convenient to carry out any of the  
1-44 district's powers granted under this section. A contract,  
1-45 agreement, or lease, including any amendments to a contract,  
1-46 agreement, or lease, may provide any terms and conditions, and be  
1-47 for any term of years, as the commission determines are in the best  
1-48 interests of the district. The contract, agreement, or lease may be  
1-49 entered into with any person, political subdivision, or  
1-50 governmental agency, including the United States, the secretary of  
1-51 the army or the secretary of the army's designees, the Army Corps of  
1-52 Engineers, any local government, any county government, any special  
1-53 district or authority, any local government corporation, any  
1-54 transportation corporation, any tax increment reinvestment zone,  
1-55 the State of Texas, any agency of the State of Texas, and any other  
1-56 entity. The district is authorized to enter into contracts with a  
1-57 private entity to develop or operate any part of the improvement  
1-58 project under Chapter 2267, Government Code, and those contracts  
1-59 may provide that the private entity:

1-60 (1) perform all or any part of the district's  
1-61 obligations under contracts or agreements with the United States;

2-1 and

2-2 (2) use revenue or other money from the improvement  
 2-3 project to prepay for duties or tariffs, including duties or  
 2-4 tariffs that may not be effective until the improvement project is  
 2-5 partially or wholly completed, which may be credited against future  
 2-6 duties or tariffs.

2-7 (d) The district may enter into a contract, agreement, or  
 2-8 lease under Section 49.108 or 60.120, Water Code, as determined by  
 2-9 the commission.

2-10 (e) The district is not required to obtain approval from the  
 2-11 Texas Commission on Environmental Quality for the district's  
 2-12 contracts or financing related to the improvement project. Any  
 2-13 contracts or agreements of the district may be renewed or extended,  
 2-14 and any time warrants or maintenance notes may be refunded in the  
 2-15 manner provided by general law.

2-16 (f) The district may provide that payments required by any  
 2-17 of the district's contracts, agreements, or leases may be payable  
 2-18 from the sale of notes, taxes, or bonds, or any combination of  
 2-19 notes, taxes, or bonds, or may be secured by a lien on or a pledge of  
 2-20 any available funds, including proceeds of the district's  
 2-21 maintenance tax, and may be payable subject to annual appropriation  
 2-22 by the district. Sections 26.04, 26.05, 26.07, and 26.012, Tax  
 2-23 Code, do not apply to maintenance taxes levied and collected for  
 2-24 payments under a contract, agreement, lease, time warrant, or  
 2-25 maintenance note issued or executed under this section.

2-26 (g) The district is authorized to borrow money, receive  
 2-27 advances of funds, and enter into repayment agreements for the  
 2-28 repayment of borrowed money or advances, and to issue anticipation  
 2-29 notes, time warrants, and maintenance notes. The anticipation  
 2-30 notes may be issued in accordance with Chapter 1431, Government  
 2-31 Code, in the same manner as an eligible countywide district. Tax  
 2-32 anticipation notes issued under this subsection may not exceed 75  
 2-33 percent of the revenue or taxes anticipated to be collected in that  
 2-34 year and shall be payable during the district's current fiscal  
 2-35 year. Time warrants and maintenance notes issued under this  
 2-36 subsection may be issued to pay for any lawful expenditure of the  
 2-37 district and shall be payable over a period not to exceed 35 years  
 2-38 from the date of issuance.

2-39 (h) The commission shall determine whether the amount of the  
 2-40 district's maintenance taxes and other available resources  
 2-41 required to pay the district's existing obligations is also  
 2-42 sufficient to pay the debt service on any time warrants or  
 2-43 maintenance notes issued under this section. In evaluating the tax  
 2-44 rate, the commission may include in the district's budget an  
 2-45 improvement project fund, which may be funded to assure that  
 2-46 adequate funds are available to the district to comply with the  
 2-47 district's covenants and obligations during future years when the  
 2-48 amounts projected to be needed will exceed the then-current  
 2-49 available maintenance tax funds.

2-50 SECTION 2. (a) The legal notice of the intention to  
 2-51 introduce this Act, setting forth the general substance of this  
 2-52 Act, has been published as provided by law, and the notice and a  
 2-53 copy of this Act have been furnished to all persons, agencies,  
 2-54 officials, or entities to which they are required to be furnished  
 2-55 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
 2-56 Government Code.

2-57 (b) The governor, one of the required recipients, has  
 2-58 submitted the notice and Act to the Texas Commission on  
 2-59 Environmental Quality.

2-60 (c) The Texas Commission on Environmental Quality has filed  
 2-61 its recommendations relating to this Act with the governor, the  
 2-62 lieutenant governor, and the speaker of the house of  
 2-63 representatives within the required time.

2-64 (d) All requirements of the constitution and laws of this  
 2-65 state and the rules and procedures of the legislature with respect  
 2-66 to the notice, introduction, and passage of this Act are fulfilled  
 2-67 and accomplished.

2-68 SECTION 3. This Act takes effect immediately if it receives  
 2-69 a vote of two-thirds of all the members elected to each house, as

3-1 provided by Section 39, Article III, Texas Constitution. If this  
3-2 Act does not receive the vote necessary for immediate effect, this  
3-3 Act takes effect September 1, 2015.

3-4

\* \* \* \* \*