

## **BILL ANALYSIS**

Senate Research Center  
85R4228 DMS-F

S.B. 1864  
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Transportation  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Port of Houston Authority of Harris County, Texas (PHA) is a navigation district governed by Section 5007, Special District Local Laws Code, and the Water Code, and created for the purpose of facilitating commerce along the Houston Ship Channel. S.B. 1864 seeks to modernize various outdated sections of Section 5007 and clarify its role in maintaining the ship channel and providing maritime services and facilities

S.B. 1864 clarifies PHA's development, improvement, and operating responsibilities related to its role as the local (non-federal) sponsor of the Houston Ship Channel. These activities extend along the entire length of that waterway, which includes portions in Harris County and extending through Galveston Bay, and operates in tandem with dredge material placement sites, including several located in Galveston Bay.

S.B. 1864 proposes a clarification of the commencement of PHA's responsibilities related to certain submerged lands within Harris County, by referencing the state's 1927 grant of these lands to the navigation district.

S.B. 1864 clarifies that certain secured-debt authority provided for in that section can be used to finance the acquisition and improvement of PHA facilities, not just its grain elevators. S.B. 1864 clarifies port commission/executive director signature authority language.

S.B. 1864 clarifies language cross-referencing other Water Code provisions, updates the formal title references to the Harris County tax assessor-collector and appraisal review board, deletes obsolete language regarding the Harris County Treasurer (e.g., the designation of the funds depository as of 1957, etc.), and clarifies that the PHA's firefighting mission covers the length of the Houston Ship Channel.

S.B. 1864 adds references to the 1971 date that the present names of the PHA, port commission, and executive director were adopted.

S.B. 1864 gives the port commission chairman the ability to name a port commissioner or employee designee to sit on the Gulf Coast rail district board.

S.B. 1864 permits the use of PHA funds for certain limited employee functions, including ceremonial events, training, employee recognition, seasonal celebration, and morale building events.

As proposed, S.B. 1864 amends current law relating to the administration of the Port of Houston Authority.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Port of Houston Authority of Harris County Texas is modified in SECTION 5 (Section 5007.007, Special District Local Laws Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 5007.002(a), Special District Local Laws Code, as follows:

(a) Provides that, effective June 6, 1927, the Harris County Houston Ship Channel Navigation District of Harris County, Texas (district), in Harris County, is hereby created and established under certain authority, for a certain purpose, in certain areas, including the Houston ship channel and dredge material management areas. Makes a conforming change.

SECTION 2. Amends Sections 5007.004(a), (b), and (c), Special Districts Local Laws Code, as follows:

(a) Changes a reference to Vinces Bayou to Vince Bayou. Provides that certain lands are granted to the Port of Houston Authority of Harris County (authority), effective June 14, 1927, or its successors, for public purposes and for the development of commerce only, in accordance with certain provisions and stipulations. Makes nonsubstantive changes.

(b) Sets forth the rights, powers, and authority of the authority. Makes nonsubstantive changes.

(c) Deletes existing text excluding structures constructed under permit from the United States War Department from structures that the authority may abate and remove.

SECTION 3. Amends the heading to Section 5007.006, Special District Local Laws Code, to read as follows:

Sec. 5007.006. REVENUE OBLIGATIONS; CERTAIN POWERS; FEES AND CHARGES; FACILITIES; TAXATION EXEMPTION; REFUNDING BONDS; CERTAIN BOND PROVISIONS.

SECTION 4. Amends Sections 5007.006(d), (e), (g), (j), (m), and (r), Special District Local Laws Code, as follows:

(d) Requires that such obligations be signed by the manual or facsimile signatures of the chair of the port commission, rather than Chairman, and the executive director, rather than the executive director of the port commission, as may be provided in the proceedings authorizing said obligations, and provides that the interest coupons attached thereto may also be executed by the facsimile signatures of such officers.

(e) Provides that any obligations issued hereunder may be payable from and secured by revenue as may be derived from the operation of the improvements and facilities acquired or improved with the proceeds, rather than acquired with the proceeds of the sale of such obligations.

(g) Replaces references to grain elevator or elevators with facility.

(j) Prohibits the provisions of any statute not included in this chapter that relates to the authorization or execution of mortgages and encumbrances or the granting of franchises or leases from being applicable to the authorization or execution of any mortgage or encumbrance entered into pursuant to the provisions of this chapter, nor to the granting of any franchise or lease hereunder. Deletes existing text relating to the provisions of Sections 61.164, 61.165, and 61.168, Water Code, and Chapter 134, Acts 1935, 44th Legislature, Regular Session, as amended. Makes conforming changes.

(m) Requires any contracts, leases, or agreements entered into, except as provided by Chapter 60 (Navigation Districts—General Provisions), Water Code, to be approved by action of the port commission, and to be executed by the chair of the port commission, rather than Chairman, and attested by the executive director. Makes conforming and nonsubstantive changes.

(r) Deletes existing text referencing the Bond and Warrant Law of 1931 and makes nonsubstantive changes.

SECTION 5. Amends Sections 5007.007(a-1), (n), (o), (p), and (q), Special District Local Laws Code, as follows:

(a-1) Makes a nonsubstantive change.

(n) Changes references to the Assessor and Collector of taxes to the tax assessor-collector. Changes reference to the Board of Equalization to the appraisal review board. Requires that the tax assessor-collector receive compensation for services and such compensation to be paid as provided by law, rather than to the Officer's Salary Fund of the County. Deletes existing text relating to such compensation as the port commission and said Commissioners Court agree upon. Makes nonsubstantive changes.

(o) Requires the County Treasurer of Harris County to be treasurer of the authority and to open an account of all moneys received by the treasurer belonging to the authority and all amounts paid out by the treasurer. Makes conforming changes. Deletes existing text requiring the treasurer to deposit funds in such depository as designated by the commission in the manner provided by law for the selection of a county depository, and such depository to select to be the depository of the authority for a period of two years and until its successor is selected and qualified. Deletes existing text requiring a bond to be payable to the port commissioners and to their successors in office for a certain benefit. Deletes existing text requiring certain compensation to be paid to the Officer's Salary Fund of the County.

(p) Requires the authority to acquire, purchase, lease, maintain, repair and operate facilities and equipment for preventing, detecting, controlling, responding to, and fighting fires, explosions, and hazardous material incidents on or adjacent to the waterways, channels and turning basins within its jurisdiction, including the Houston Ship Channel, and for the protection of life and property from damage by fire and explosion. Requires the authority to promulgate and enforce ordinances, rules and regulations for the promotion of the safety of life and property on or adjacent to the waterways, channels and turning basins within its jurisdiction, including the Houston Ship Channel, from damages by fire, explosion, and hazardous material incidents in the manner provided by Subchapter D (Regulatory Powers), Chapter 60, Water Code.

(q) Authorizes the authority to take certain actions for certain traffic control facilities within the authority's jurisdiction, including the Houston Ship Channel. Deletes existing text requiring that the traffic control facilities be financed out of available revenue and prohibited from utilizing bond revenue funds. Makes a conforming change.

SECTION 6. Amends Section 5007.010, Special District Local Laws Code, as follows:

Sec. 5007.010. NAME AND TITLE CHANGES. (a) Provides that effective August 30, 1971, the name of the district is changed to the authority. Makes a nonsubstantive change.

(b) Provides that effective August 30, 1971, the name of the Board of Navigation and the Canal Commissioners of the authority is changed to the port commission, and the title of each member is port commissioner. Makes a nonsubstantive change.

(c) Provides that effective August 30, 1971, the title of general manager of the authority is changed to executive director. Makes a nonsubstantive change.

SECTION 7. Amends Subchapter B, Chapter 5007, Special District Local Laws Code, by adding Section 5007.2065, as follows:

Sec. 5007.2065. SERVICE ON FREIGHT RAIL DISTRICT BOARD. Authorizes the chair of the port commission to designate an officer or employee of the authority to serve on behalf of the chair as a director of a freight rail district created under Section 171.052 (Creation by Counties and Municipalities), Transportation Code.

SECTION 8. Amends Section 5007.218, Special District Local Laws Code, as follows:

Sec. 5007.218. EXPENSE POLICY. Requires the commission to adopt an expense policy that includes a prohibition on the use of authority funds for a meal for a port commissioner or an authority employee that is not part of a ceremonial or business-related function with outside parties, an employee training program, or an event with the purpose of employee recognition, seasonal celebration or building morale. Makes nonsubstantive changes.

SECTION 9. Effective date: upon passage or September 1, 2017.