

By: Taylor of Galveston  
Garcia

S.B. No. 1864

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the Port of Houston Authority.

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

SECTION 1. Section 5007.002(a), Special District Local Laws Code, is amended to read as follows:

(a) That, effective June 6, 1927, the Harris County Houston Ship Channel Navigation District of Harris County, Texas, in Harris County, as hereinafter described by metes and bounds, is hereby created and established under authority of Article 3, Section 52, of the Constitution of the State of Texas, for the purpose of the development of deep water navigation and the improvement of rivers, bays, creeks, streams, and canals within or adjacent to the authority, including the Houston Ship Channel and dredge material management areas, and to construct and maintain canals or waterways to permit navigation or in aid thereof and for the purpose of and authority to acquire, purchase, undertake, construct, maintain, operate, develop, and regulate wharves, docks, warehouses, grain elevators, bunkering facilities, belt railroads, floating plants, lighterage, lands, dredge material management areas, towing facilities, and all other facilities or aids incident to or necessary to the operation or development of ports or waterways within the authority, including the Houston Ship Channel and dredge material management areas [~~and extending to the Gulf of Mexico~~], as provided in Chapter 9 of the Revised Statutes of 1925; and all

1 orders of the Commissioners' Court of Harris County, Texas, and of  
2 the Navigation Commissioners, heretofore made in respect to the  
3 creation of such authority and the authorization and issuance of  
4 the bonds of said authority are hereby in all things ratified,  
5 confirmed, and validated.

6 SECTION 2. Sections 5007.004(b) and (c), Special District  
7 Local Laws Code, are amended to read as follows:

8 (b) The authority, or its successors, is hereby granted the  
9 right, power and authority to authorize, establish, construct,  
10 purchase, own, maintain, equip, regulate, operate and lease  
11 wharves, piers, docks, dry docks, marine ways and all other  
12 structures and appliances for facilitating or accommodating  
13 commerce or navigation, and to dredge out channels, slips and  
14 turning basins, and to fill in space between the main land and  
15 islands and to fill areas for wharves, piers, docks, dry docks,  
16 marine ways and for all other structures and appliances for  
17 facilitating and accommodating commerce and navigation, having  
18 first secured a permit from the Government of the United States of  
19 America as required by Federal law [~~therefor~~], and to construct, or  
20 cause or authorize to be constructed on said wharves, piers, docks,  
21 dry docks, marine ways and other structures and appliances for  
22 facilitating and accommodating commerce and navigation, or on lands  
23 so filled in, any and all elevators, warehouses, bunkers, railway  
24 terminals and sidetracks, or any other facilities or aids  
25 whatsoever to navigation or commerce. Said lands shall be used by  
26 the authority, or its successors, solely for the establishment,  
27 improvement and conduct of a [~~an~~] harbor and ship channel and for

1 the construction, maintenance and operation [~~thereon~~] of any  
2 facilities or aids whatsoever related to the same, and the  
3 authority, or its successors, shall not at any time, grant, convey,  
4 give or alien said lands or any part thereof, to any individual,  
5 firm or corporation for any purpose whatsoever; provided, that the  
6 authority, or its successors, may grant franchises thereon for  
7 limited periods of time for wharves, and other public uses and  
8 purposes, and may lease said lands and facilities or any part  
9 thereof for limited periods for purposes consistent with this  
10 chapter, but no wharves, piers or structures of any kind shall be  
11 constructed on said lands by anyone save the authority, except  
12 under a franchise or lease granted by the authority and in a manner  
13 first prescribed by and approved of by the authority or its  
14 successors.

15 (c) For the purpose of carrying out the provisions of this  
16 section, the authority, or its successors, is hereby granted the  
17 right, power and authority to abate and remove any and all  
18 encroachments or structures of any kind now or hereafter existing  
19 on said property, save such as may have been constructed under  
20 permit from the [~~United States War Department, or other~~] proper  
21 Federal authority, and shall have the right to bring such suit or  
22 suits as may be necessary to carry out the provisions of this  
23 section to the same extent and as fully and completely as the right  
24 to bring such a suit or suits existed in the State prior to the  
25 passage hereof.

26 SECTION 3. The heading to Section [5007.006](#), Special  
27 District Local Laws Code, is amended to read as follows:

1           Sec. 5007.006. REVENUE OBLIGATIONS; CERTAIN POWERS; FEES  
2 AND CHARGES; FACILITIES [~~GRAIN ELEVATORS~~]; TAXATION EXEMPTION;  
3 REFUNDING BONDS; CERTAIN BOND PROVISIONS.

4           SECTION 4. Sections 5007.006(d), (e), (g), (j), (m), and  
5 (r), Special District Local Laws Code, are amended to read as  
6 follows:

7           (d) Such obligations shall not constitute an indebtedness  
8 or pledge of the credit of the authority, and the holders thereof  
9 shall never have the right to demand payment thereof out of any  
10 funds raised or to be raised by taxation, and such obligations shall  
11 contain a recital to that effect. All obligations issued hereunder  
12 shall be in registered or coupon form, and if in coupon form may be  
13 registerable as to principal only, or as to both principal and  
14 interest, shall bear interest at a rate not to exceed the amount  
15 allowed by law, payable annually or semiannually, and shall be in  
16 such denominations and shall mature serially or at one time not more  
17 than forty (40) years from their date in such manner as may be  
18 provided by the port commission. Principal of and interest on such  
19 obligations shall be made payable at any place or places within or  
20 without the State of Texas, and in the discretion of the port  
21 commission such obligations may be made callable and/or refundable  
22 at the option of the port commission prior to maturity at such  
23 premium or premiums as the port commission shall determine. Such  
24 obligations shall be signed by the manual or facsimile signatures  
25 of the chair of the port commission [~~Chairman~~] and the executive  
26 director [~~of the port commission~~] as may be provided in the  
27 proceedings authorizing said obligations, and the interest coupons

1 attached thereto may also be executed by the facsimile signatures  
2 of such officers. Such obligations shall be sold in such manner and  
3 at such times as the port commission shall determine to be expedient  
4 and necessary to the interests of the authority, provided, that in  
5 no event shall such obligations be sold for a price which will  
6 result in an interest yield therefrom of more than the amount  
7 allowed by law computed to maturity according to standard bond  
8 tables in general use by banks and insurance companies. Any premium  
9 or premiums provided for the call or refunding of any bonds issued  
10 pursuant to this Section shall not be included in the computation of  
11 the maximum interest yield on such bonds. In the event of the  
12 officers whose signatures are on such obligations or coupons shall  
13 cease to be such officers before the delivery of such obligations to  
14 the purchaser, such signature or signatures, nevertheless, shall be  
15 valid and sufficient for all purposes. All obligations issued  
16 hereunder shall constitute negotiable instruments under Chapter 3,  
17 Business & Commerce Code.

18 (e) Any obligations issued hereunder may be issued payable  
19 from and secured by the pledge of all the revenues derived from the  
20 operation of the improvements and facilities of the authority,  
21 exclusive of any revenues derived from taxation or assessments, or  
22 may be payable from and secured by the pledge of only such revenues  
23 as may be derived from the operation of the improvements and  
24 facilities acquired or improved with the proceeds of the sale of  
25 such obligations, or may be payable from and secured by the pledge  
26 of a specified part of the revenues derived from the operation of  
27 the improvements and facilities of the authority, all as may be

1 provided in the proceedings authorizing the issuance of such  
2 obligations.

3 (g) The authority may adopt plans for the construction or  
4 refinancing of a facility [~~grain elevator or elevators~~], to be paid  
5 for by the issuance and sale of obligations payable from and secured  
6 by a pledge of revenues to be derived from the operation of the  
7 facility [~~said grain elevator~~] and further secured by a trust  
8 indenture, or by a deed of trust on the physical properties of such  
9 improvement; and during the time any such improvement is encumbered  
10 by the pledge of such revenues and the lien upon its physical  
11 properties, in the proceedings authorizing the bonds or the  
12 indenture, may vest its management and control in a Board of  
13 Trustees, to be named in such resolution or indenture, consisting  
14 of not less than five (5) nor more than nine (9) members. The  
15 compensation of the members of such Board of Trustees shall be fixed  
16 by such resolution or indenture, but shall never exceed one percent  
17 (1%) of the gross receipts of such improvement in any one (1) year.  
18 The terms of office of the members of such Board of Trustees, their  
19 powers and duties, including the power to fix fees and charges for  
20 the use of such improvements, and the manner of exercising same, the  
21 manner of the selection of their successors, and all matters  
22 pertaining to their duties and the organization of such Board of  
23 Trustees shall be specified in such resolution or indenture. Any  
24 such Board of Trustees may adopt bylaws regulating the procedure of  
25 the Board and fixing the duties of its officers, but the bylaws  
26 shall not contain any provision in conflict with the covenants and  
27 provisions contained in the resolution authorizing the bonds or the

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

14 (j) As additional security for the payment of any  
15 obligations issued hereunder, the port commission may in its  
16 discretion have executed in favor of the holders of such  
17 obligations an indenture or deed of trust mortgaging and  
18 encumbering all or any part of the physical properties comprising  
19 the improvements and facilities the net revenues of which are  
20 pledged to the payment of such obligations, including the lands  
21 upon which said improvements and facilities are located, and may  
22 provide in such mortgage or encumbrance for a grant to any purchaser  
23 or purchasers at foreclosure sale thereunder of a franchise or  
24 lease to operate such improvements, facilities and properties for a  
25 term of not over fifty (50) years from the date of such purchase,  
26 subject to all laws regulating same then in force. Any such  
27 indenture or deed of trust may contain such terms and provisions as

1 the port commission shall deem proper and shall be enforceable in  
2 the manner provided by the laws of Texas for the enforcement of  
3 other mortgages and encumbrances. Under any such sale ordered  
4 pursuant to the provisions of such mortgage or encumbrance, the  
5 purchaser or purchasers at such sale, and the purchaser's or  
6 purchasers' [~~his or their~~] successors or assigns, shall be vested  
7 with a permit or franchise conforming to the provisions stipulated  
8 in the indenture or deed of trust to maintain and operate the  
9 improvements, facilities and properties purchased at such sale with  
10 like powers and privileges as may theretofore have been enjoyed by  
11 the authority in the operation of said improvements, facilities and  
12 properties. The purchaser or purchasers of such improvements,  
13 facilities and properties at any such sale, and the purchaser's  
14 [~~his or their~~] successors and assigns, may operate said  
15 improvements, facilities and properties as provided in the last  
16 above sentence or may at their option remove all or any part or  
17 parts of said improvements, facilities and properties for diversion  
18 to other purposes. The provisions of [~~Sections 61.164, 61.165, and~~  
19 ~~61.168, Water Code, and Chapter 134, Acts 1935, 44th Legislature,~~  
20 ~~Regular Session, as amended, and~~] any statute not included in this  
21 chapter that relates [~~other statutes relating~~] to the authorization  
22 or execution of mortgages and encumbrances or the granting of  
23 franchises or leases shall not be applicable to the authorization  
24 or execution of any mortgage or encumbrance entered into pursuant  
25 to the provisions of this chapter, nor to the granting of any  
26 franchise or lease hereunder. Any obligations issued pursuant to  
27 the provisions of this chapter and additionally secured by an



1 indenture or deed of trust as provided by this subsection, whether  
2 such obligations are notes or certificates of indebtedness or  
3 otherwise, and the record relating to their issuance, may, at the  
4 option of the port commission, be submitted to the Attorney General  
5 of Texas for the attorney general's ~~his~~ examination and approval,  
6 as in the case of bonds, and after the Attorney General has approved  
7 the same, such obligations shall be registered by the Comptroller  
8 of Public Accounts of Texas; and after such obligations have been  
9 approved by the Attorney General and registered by the Comptroller,  
10 they shall thereafter be incontestable for any cause except for  
11 forgery or fraud.

12 (m) The authority, in addition to the other powers  
13 hereinabove set out, shall have general power and authority to make  
14 and enter into all contracts, leases and agreements necessary or  
15 convenient to the carrying out of any of the powers granted in this  
16 chapter, which contracts, leases or agreements may be entered into  
17 with any person, real or artificial, any corporation, municipal,  
18 public or private, and the government or governmental agency,  
19 including those of the United States and the State of Texas. Except  
20 as provided by Chapter 60, Water Code, any ~~Any and all~~ contracts,  
21 leases or agreements entered into pursuant hereto shall be approved  
22 by action ~~resolution or order~~ of the port commission, and shall be  
23 executed by the chair of the port commission ~~Chairman~~ and  
24 attested by the executive director ~~thereof~~.

25 (r) This Section, without reference to other Statutes of the  
26 State of Texas, shall constitute full authority for the  
27 authorization and issuance of obligations hereunder and for the

1 accomplishment of all things herein authorized to be done, and no  
2 proceedings relating to the authorization or issuance of such  
3 obligations or the doing of such things shall be necessary except  
4 such as are herein required, and no [~~neither the Bond and Warrant~~  
5 ~~Law of 1931 or any other~~] provisions of the Laws of the State of  
6 Texas[~~7~~] pertinent to the authorization or issuance of obligations,  
7 the operation and maintenance of ports, canals and waterways, the  
8 granting of franchise, permits, or leases, the right to elections  
9 or referendum petitions, shall in anywise impede or restrict the  
10 carrying out of the acts authorized to be done hereunder or acts  
11 done pursuant hereto.

12 SECTION 5. Sections 5007.007(a-1), (n), (o), (p), and (q),  
13 Special District Local Laws Code, are amended to read as follows:

14 (a-1) The authority is empowered and authorized to  
15 exercise, in addition to all powers conferred by this section, all  
16 powers conferred upon the authority by the law or laws under which  
17 it was organized, and, in addition, shall have all of the powers and  
18 jurisdiction conferred upon Districts originally organized under  
19 Article XVI, Section 59, of the Constitution of the State of Texas,  
20 including [~~and particularly~~] Subchapters B, H, and K, Chapter 60,  
21 Water Code, and Sections 60.034 through 60.042, 61.075, 61.076,  
22 61.082, 61.112, 61.115 through 61.117, 61.151 through 61.168,  
23 61.172 through 61.174, and 61.176, Water Code, as amended, and  
24 Articles 8248, 8249, 8250, 8251, 8252, 8253, 8254, 8255, 8256,  
25 8257, and 8258, Revised Civil Statutes of Texas, 1925, as amended,  
26 as well as Chapter 6, Acts, 1941, Forty-seventh Legislature, Page  
27 8, as amended; Chapter 176, Acts, 1955, Fifty-fourth Legislature,

1 Page 554; Chapter 217, Acts, 1949, Fifty-first Legislature, Page  
2 407; provided, that if there is any conflict or inconsistency  
3 between said laws or any of them, and this chapter, then to the  
4 extent of conflict or inconsistency, the provisions of this chapter  
5 shall govern.

6 (n) The port commission shall provide all necessary  
7 additional books for the use of the tax assessor-collector  
8 [~~Assessor and Collector of taxes~~] and the Clerk of the  
9 Commissioners Court of Harris County, Texas. The tax  
10 assessor-collector [~~Tax Assessor~~] of [~~said~~] Harris County shall be  
11 charged with the assessment of all property for taxation within the  
12 authority and when ordered to do so by the Commissioners Court of  
13 Harris County shall assess all property within the authority and  
14 list the same for taxation in the books or rolls furnished the tax  
15 assessor-collector [~~him~~] for said purposes, and return said books  
16 or rolls at the same time when the tax assessor-collector [~~he~~]  
17 returns the other books or rolls of the State and County Taxes for  
18 correction and approval to the Commissioners Court of said County,  
19 and if said Court shall find said books or rolls correct they shall  
20 approve the same, and in all matters pertaining to the assessment of  
21 property for taxation in the authority, the tax assessor-collector  
22 [~~Tax Assessor~~] and appraisal review board [~~Board of Equalization~~]  
23 of said County shall be authorized to act and shall be governed by  
24 the laws of Texas for assessing and equalizing property for State  
25 and County Taxes, except as herein provided. All taxes authorized  
26 to be levied by this chapter shall be a lien upon the property upon  
27 which said taxes are assessed, and said taxes may be paid and shall

1 mature and be paid at the time provided by the laws of this State for  
2 the payment of State and County Taxes; and all the penalties  
3 provided by the laws of this State for the nonpayment of State and  
4 County Taxes shall apply to all taxes authorized to be levied by  
5 this chapter. The tax assessor-collector [~~Tax Collector~~] of Harris  
6 County shall be charged with the assessment rolls of the authority,  
7 and is required to make collection of all taxes levied and assessed  
8 against the property in said County and promptly pay over the same  
9 to the Treasurer of the authority. The tax assessor-collector [~~Tax~~  
10 ~~Assessor-Collector~~] shall receive compensation for [~~such~~] services  
11 [~~such compensation as the port commission and said Commissioners~~  
12 ~~Court shall agree upon;~~] and such compensation shall be paid as  
13 provided by law [~~to the Officers' Salary Fund of the County~~]. The  
14 bond of the tax assessor-collector [~~such Assessor-Collector~~] shall  
15 stand as security for the proper performance of the [~~his~~] duties of  
16 the tax assessor-collector [~~as Tax Assessor-Collector~~] of the  
17 authority; or, if in the judgment of the port commission it be  
18 necessary, an additional bond payable to the authority may be  
19 required, and in all matters pertaining to the collection of taxes  
20 levied under the provisions of this chapter, the tax  
21 assessor-collector [~~Tax Collector~~] shall be authorized to act and  
22 shall be governed by the laws of the State of Texas for the  
23 collection of State and County Taxes, except as herein provided;  
24 and suits may be brought for the collection of said taxes and the  
25 enforcement of the tax liens created by this chapter. It shall be  
26 the duty of the tax assessor-collector [~~Tax Collector~~] to make a  
27 certified list of all delinquent property upon which the navigation

1 tax has not been paid, and return the same to the County  
2 Commissioners Court, which shall proceed to have the same collected  
3 by the sale of such delinquent property in the same manner, both by  
4 suit and otherwise, as now or may be provided for the sale of  
5 property for the collection of State and County Taxes; and, at the  
6 sale of any property for any delinquent tax, the port commission may  
7 become the purchasers of the same for the benefit of the authority.  
8 Should the tax assessor-collector [~~said Tax Assessor and Collector~~]  
9 fail or refuse to comply with the order of said Commissioners Court  
10 requiring the tax assessor-collector [~~him~~] to assess and list for  
11 taxation all the property in the authority, or fail or refuse to  
12 give such additional bond or security as herein provided, the tax  
13 assessor-collector [~~he~~] shall be suspended from further discharge  
14 of the tax assessor-collector's [~~his~~] duties by the Commissioners  
15 Court of said County, and the tax assessor-collector [~~he~~] shall be  
16 removed from office in the mode prescribed by law for the removal of  
17 county officers.

18 (o) The County Treasurer of Harris County shall be treasurer  
19 of the authority, and [~~it~~] shall [~~be his duty to~~] open an account of  
20 all moneys received by the treasurer [~~him~~] belonging to the  
21 authority and all amounts paid out by the treasurer [~~him~~]. The  
22 treasurer [~~He~~] shall deposit the funds of the authority in such  
23 depository or depositories as may be designated by the port  
24 commission in the manner provided by law [~~for the selection of a~~  
25 ~~county depository, and such depository so selected shall be the~~  
26 ~~depository of the authority for a period of two (2) years and until~~  
27 ~~its successor is selected and qualified~~]. Should the port

1 commission fail or refuse to select a depository such depository  
2 shall be selected in like manner by the Commissioners Court. The  
3 treasurer [~~The depository of the authority on April 29, 1957, shall~~  
4 ~~continue to be the depository of the authority until its successor~~  
5 ~~is selected and qualified as herein provided. He]~~ shall pay out no  
6 money except upon the conditions provided for in this chapter and  
7 under other law[~~7~~] and [~~he~~] shall carefully preserve on file all  
8 orders for the payment of money; and, as often as required by the  
9 [~~said~~] Commissioners Court, [~~he~~] shall render a correct account to  
10 them of all matters pertaining to the financial condition of the  
11 authority. The treasurer [~~County Treasurer~~] shall execute a good  
12 and sufficient bond, payable to the [~~port commissioners and to~~  
13 ~~their successors in office for the benefit of the~~] authority in an  
14 amount to be fixed by the port commission, such bond to be  
15 conditioned for the faithful performance of the [~~his~~] duties of the  
16 [~~as~~] treasurer of the authority and to be approved by the port  
17 commission; provided whenever any bonds are issued by the  
18 authority, [~~the County Treasurer~~] before receiving the proceeds of  
19 sale thereof the treasurer shall execute additional good and  
20 sufficient bond payable to the port commission in an amount to be  
21 fixed by the port commission, which bond shall likewise be  
22 conditioned and approved as aforesaid, but such additional bond  
23 shall not be required after such Treasurer shall have properly  
24 disbursed the proceeds of such bond issue; and the treasurer  
25 [~~County Treasurer~~] shall be allowed such compensation for [~~his~~]  
26 services performed as treasurer of the authority as may be  
27 determined by the port commission[~~7~~, ~~and such compensation shall be~~

1 ~~paid to the Officers' Salary Fund of the County~~].

2 (p) The authority shall acquire, purchase, lease, maintain,  
3 repair and operate facilities and equipment for preventing,  
4 detecting, controlling, responding to, and fighting fires,  
5 explosions, and hazardous material incidents on or adjacent to the  
6 waterways, channels and turning basins within its jurisdiction,  
7 including the Houston Ship Channel, and for the protection of life  
8 and property from damage by fire, ~~and~~ explosion, and hazardous  
9 material incidents. The authority shall promulgate and enforce  
10 ordinances, rules and regulations for the promotion of the safety  
11 of life and property on or adjacent to the waterways, channels and  
12 turning basins within its jurisdiction, including the Houston Ship  
13 Channel, from damages by fire, explosion, and hazardous material  
14 incidents ~~[and explosion thereon]~~ in the manner provided by  
15 Subchapter D, Chapter 60, Water Code. The powers and functions  
16 herein authorized may be exercised both within and without the  
17 corporate limits of any city, town or village situated within the  
18 boundaries of the authority. This chapter shall be cumulative of  
19 all other laws on the subject but in the event of conflict between  
20 this chapter and any law of this state or any charter provision or  
21 ordinance of any such city, town or village relating to the subject  
22 matter of this chapter, the provisions of this chapter shall  
23 control.

24 (q) The authority is authorized to acquire, purchase,  
25 construct, enlarge, extend, repair, maintain, operate, or develop  
26 traffic control facilities and everything appurtenant thereto,  
27 together with all other facilities or aids incident to or useful in

1 the operation or development of the [~~authority's~~] ports and  
2 waterways within the authority's jurisdiction, including the  
3 Houston Ship Channel, or in aid of navigation and commerce thereon.  
4 [~~The traffic control facilities shall be financed out of available~~  
5 ~~revenue and shall not utilize bond revenue funds.~~]

6 SECTION 6. Section 5007.010, Special District Local Laws  
7 Code, is amended to read as follows:

8 Sec. 5007.010. NAME AND TITLE CHANGES. (a) Effective  
9 August 30, 1971, the [~~The~~] name of the Harris County Houston Ship  
10 Channel Navigation District of Harris County, Texas, is changed to  
11 the Port of Houston Authority of Harris County, Texas.

12 (b) Effective August 30, 1971, the [~~The~~] name of the Board  
13 of Navigation and the Canal Commissioners of the authority is  
14 changed to the port commission, and the title of each member is port  
15 commissioner.

16 (c) Effective August 30, 1971, the [~~The~~] title of general  
17 manager of the authority is changed to executive director.

18 SECTION 7. Subchapter B, Chapter 5007, Special District  
19 Local Laws Code, is amended by adding Section 5007.2065 to read as  
20 follows:

21 Sec. 5007.2065. SERVICE ON FREIGHT RAIL DISTRICT BOARD.  
22 The chair of the port commission may designate an officer or  
23 employee of the authority to serve on behalf of the chair as a  
24 director of a freight rail district created under Section 171.052,  
25 Transportation Code.

26 SECTION 8. Section 5007.218, Special District Local Laws  
27 Code, is amended to read as follows:



1           Sec. 5007.218. EXPENSE POLICY. The port commission shall  
2 adopt an expense policy that includes:

3           (1) spending guidelines for meals, lodging, and  
4 entertainment, including a process for handling and documenting  
5 exceptions to the guidelines if business needs require an  
6 exception;

7           (2) clear expense report protocols, including:

8                   (A) the use of cash advances;

9                   (B) the separation of reports from port  
10 commissioners and authority employees; and

11                   (C) clear lines of accountability for the  
12 submission of reports; and

13           (3) a prohibition on the use of authority funds for a  
14 meal for a port commissioner or an authority employee that is not  
15 part of:

16                   (A) approved travel for authority business;

17                   (B) [~~or part of~~] a ceremonial or business-related  
18 function with outside parties;

19                   (C) an employee training program; or

20                   (D) an event with the purpose of employee  
21 recognition, seasonal celebration, or building morale.

22           SECTION 9. This Act takes effect immediately if it receives  
23 a vote of two-thirds of all the members elected to each house, as  
24 provided by Section 39, Article III, Texas Constitution. If this  
25 Act does not receive the vote necessary for immediate effect, this  
26 Act takes effect September 1, 2017.