

By: Taylor of Galveston

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 and extending to the Gulf of Mexico, as provided in Chapter 9 of the Revised Statutes of 1925; and all orders of the Commissioners' Court of Harris County, Texas, and of

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

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

7 (a) That all right, title and interest of the State of  
8 Texas, to all lands hereinafter in this section described, to wit:

9 All islands and lands owned by the State of Texas, many of  
10 which are subject to overflow, known as Barnes Island, Alexander  
11 Island, Goat Island, Diamond Island and Hog Island in San Jacinto  
12 River above Lynchburg, and certain accretions formed by dredged  
13 material excavated from the channel and forming land attached to or  
14 near said Alexander Island, Hog Island between Goose Creek and  
15 Morgan Point, Atkinson Island, and all the submerged lands lying  
16 and being situated under the waters of Buffalo Bayou, San Jacinto  
17 River, White Oak Bayou, Bray's Bayou, Simms Bayou, Vince [~~Vinces~~]  
18 Bayou, Hunting Bayou, Greens Bayou, Carpenters Bayou, Old River,  
19 Lost River, Goose Creek and Cedar Bayou, and all other streams  
20 within the authority tributary to the Houston Ship Channel, so far  
21 up said streams as the State may own same, together with all lands  
22 lying and being situated under the waters of Old River, Burnett's  
23 Bay, Crystal Lake, Scott's Bay, Peggy's Lake, Black Duck Bay, Tabbs  
24 Bay and San Jacinto Bay, and all other tidal flats or overflow land  
25 adjacent to or appurtenant to the above mentioned streams within  
26 the limits above mentioned except Mitchell's Bay and any area  
27 between said bay and the Houston Ship Channel, as now or hereafter

1 located, are [~~is hereby~~] granted to the authority effective June  
2 14, 1927, or its successors, for public purposes and for the  
3 development of commerce only, in accordance with the following  
4 provisions and stipulations herein contained; provided that  
5 inasmuch as it is the purpose of this section to grant said lands to  
6 the public agency which is developing the Port of Houston, upon the  
7 creation by legislation of other public agency which shall  
8 supersede the authority as the public agency developing the Port of  
9 Houston, the title to said lands shall be transferred from the  
10 authority to such public agency, either municipal or State, so  
11 provided, such public agency being referred to herein as the  
12 successors of the authority.

13 (b) The authority, or its successors, is hereby granted the  
14 right, power and authority to authorize, establish, construct,  
15 purchase, own, maintain, equip, regulate, operate and lease  
16 wharves, piers, docks, dry docks, marine ways and all other  
17 structures and appliances for facilitating or accommodating  
18 commerce or navigation, and to dredge out channels, slips and  
19 turning basins, and to fill in space between the main land and  
20 islands and to fill areas for wharves, piers, docks, dry docks,  
21 marine ways and for all other structures and appliances for  
22 facilitating and accommodating commerce and navigation, having  
23 first secured a permit from the Government of the United States of  
24 America as required by federal law [~~therefor~~], and to construct, or  
25 cause or authorize to be constructed on said wharves, piers, docks,  
26 dry docks, marine ways and other structures and appliances for  
27 facilitating and accommodating commerce and navigation, or on lands

1 so filled in, any and all elevators, warehouses, bunkers, railway  
2 terminals and sidetracks, or any other facilities or aids  
3 whatsoever to navigation or commerce. Said lands shall be used by  
4 the authority, or its successors, solely for the establishment,  
5 improvement and conduct of a ~~an~~ harbor and ship channel and for  
6 the construction, maintenance and operation ~~thereon~~ of any  
7 facilities or aids whatsoever related to the same, and the  
8 authority, or its successors, shall not at any time, grant, convey,  
9 give or alien said lands or any part thereof, to any individual,  
10 firm or corporation for any purpose whatsoever; provided, that the  
11 authority, or its successors, may grant franchises thereon for  
12 limited periods of time for wharves, and other public uses and  
13 purposes, and may lease said lands and facilities or any part  
14 thereof for limited periods for purposes consistent with this  
15 chapter, but no wharves, piers or structures of any kind shall be  
16 constructed on said lands by anyone save the authority, except  
17 under a franchise or lease granted by the authority and in a manner  
18 first prescribed by and approved of by the authority or its  
19 successors.

20 (c) For the purpose of carrying out the provisions of this  
21 section, the authority, or its successors, is hereby granted the  
22 right, power and authority to abate and remove any and all  
23 encroachments or structures of any kind now or hereafter existing  
24 on said property, save such as may have been constructed under  
25 permit from the ~~[United States War Department, or other]~~ proper  
26 Federal authority, and shall have the right to bring such suit or  
27 suits as may be necessary to carry out the provisions of this

1 section to the same extent and as fully and completely as the right  
2 to bring such a suit or suits existed in the State prior to the  
3 passage hereof.

4 SECTION 3. The heading to Section 5007.006, Special  
5 District Local Laws Code, is amended to read as follows:

6 Sec. 5007.006. REVENUE OBLIGATIONS; CERTAIN POWERS; FEES  
7 AND CHARGES; FACILITIES [~~GRAIN—ELEVATORS~~]; TAXATION EXEMPTION;  
8 REFUNDING BONDS; CERTAIN BOND PROVISIONS.

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

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

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

23 (e) Any obligations issued hereunder may be issued payable  
24 from and secured by the pledge of all the revenues derived from the  
25 operation of the improvements and facilities of the authority,  
26 exclusive of any revenues derived from taxation or assessments, or  
27 may be payable from and secured by the pledge of only such revenues

1 as may be derived from the operation of the improvements and  
2 facilities acquired or improved with the proceeds of the sale of  
3 such obligations, or may be payable from and secured by the pledge  
4 of a specified part of the revenues derived from the operation of  
5 the improvements and facilities of the authority, all as may be  
6 provided in the proceedings authorizing the issuance of such  
7 obligations.

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

1 Trustees shall be specified in such resolution or indenture. Any  
2 such Board of Trustees may adopt bylaws regulating the procedure of  
3 the Board and fixing the duties of its officers, but the bylaws  
4 shall not contain any provision in conflict with the covenants and  
5 provisions contained in the resolution authorizing the bonds or the  
6 indenture. In all matters wherein the resolution or indenture are  
7 silent as to the powers, duties, obligations and procedure of the  
8 Board, the laws and rules governing the port commission shall  
9 control the Board of Trustees in so far as applicable. The Board  
10 may be created by the resolution or indenture, and in that event  
11 shall have all or any of the powers and authority which could be  
12 exercised by the port commission in so far as the management and  
13 operation of any such improvement is concerned. By the terms of any  
14 such resolution or indenture the port commission may make provision  
15 for later supplementing such resolution or indenture so as to vest  
16 the management and control of the facility [~~such grain elevator~~] in  
17 a Board of Trustees having the powers, rights and duties herein  
18 conferred or imposed.

19 (j) As additional security for the payment of any  
20 obligations issued hereunder, the port commission may in its  
21 discretion have executed in favor of the holders of such  
22 obligations an indenture or deed of trust mortgaging and  
23 encumbering all or any part of the physical properties comprising  
24 the improvements and facilities the net revenues of which are  
25 pledged to the payment of such obligations, including the lands  
26 upon which said improvements and facilities are located, and may  
27 provide in such mortgage or encumbrance for a grant to any purchaser



1 or purchasers at foreclosure sale thereunder of a franchise or  
2 lease to operate such improvements, facilities and properties for a  
3 term of not over fifty (50) years from the date of such purchase,  
4 subject to all laws regulating same then in force. Any such  
5 indenture or deed of trust may contain such terms and provisions as  
6 the port commission shall deem proper and shall be enforceable in  
7 the manner provided by the laws of Texas for the enforcement of  
8 other mortgages and encumbrances. Under any such sale ordered  
9 pursuant to the provisions of such mortgage or encumbrance, the  
10 purchaser or purchasers at such sale, and his or their successors or  
11 assigns, shall be vested with a permit or franchise conforming to  
12 the provisions stipulated in the indenture or deed of trust to  
13 maintain and operate the improvements, facilities and properties  
14 purchased at such sale with like powers and privileges as may  
15 theretofore have been enjoyed by the authority in the operation of  
16 said improvements, facilities and properties. The purchaser or  
17 purchasers of such improvements, facilities and properties at any  
18 such sale, and his or their successors and assigns, may operate said  
19 improvements, facilities and properties as provided in the last  
20 above sentence or may at their option remove all or any part or  
21 parts of said improvements, facilities and properties for diversion  
22 to other purposes. The provisions of [~~Sections 61.164, 61.165, and~~  
23 ~~61.168, Water Code, and Chapter 134, Acts 1935, 44th Legislature,~~  
24 ~~Regular Session, as amended, and~~] any statute not included in this  
25 chapter that relates [~~other statutes relating~~] to the authorization  
26 or execution of mortgages and encumbrances or the granting of  
27 franchises or leases shall not be applicable to the authorization

1 or execution of any mortgage or encumbrance entered into pursuant  
2 to the provisions of this chapter, nor to the granting of any  
3 franchise or lease hereunder. Any obligations issued pursuant to  
4 the provisions of this chapter and additionally secured by an  
5 indenture or deed of trust as provided by this subsection, whether  
6 such obligations are notes or certificates of indebtedness or  
7 otherwise, and the record relating to their issuance, may, at the  
8 option of the port commission, be submitted to the Attorney General  
9 of Texas for his examination and approval, as in the case of bonds,  
10 and after the Attorney General has approved the same, such  
11 obligations shall be registered by the Comptroller of Public  
12 Accounts of Texas; and after such obligations have been approved by  
13 the Attorney General and registered by the Comptroller, they shall  
14 thereafter be incontestable for any cause except for forgery or  
15 fraud.

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

1 attested by the executive director [~~thereof~~].

2 (r) This Section, without reference to other Statutes of the  
3 State of Texas, shall constitute full authority for the  
4 authorization and issuance of obligations hereunder and for the  
5 accomplishment of all things herein authorized to be done, and no  
6 proceedings relating to the authorization or issuance of such  
7 obligations or the doing of such things shall be necessary except  
8 such as are herein required, and no [~~neither the Bond and Warrant  
9 Law of 1931 or any other~~] provisions of the Laws of the State of  
10 Texas[~~7~~] pertinent to the authorization or issuance of obligations,  
11 the operation and maintenance of ports, canals and waterways, the  
12 granting of franchise, permits, or leases, the right to elections  
13 or referendum petitions, shall in anywise impede or restrict the  
14 carrying out of the acts authorized to be done hereunder or acts  
15 done pursuant hereto.

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

18 (a-1) The authority is empowered and authorized to  
19 exercise, in addition to all powers conferred by this section, all  
20 powers conferred upon the authority by the law or laws under which  
21 it was organized, and, in addition, shall have all of the powers and  
22 jurisdiction conferred upon Districts originally organized under  
23 Article XVI, Section 59, of the Constitution of the State of Texas,  
24 including [~~and particularly~~] Subchapters B, H, and K, Chapter 60,  
25 Water Code, and Sections 60.034 through 60.042, 61.075, 61.076,  
26 61.082, 61.112, 61.115 through 61.117, 61.151 through 61.168,  
27 61.172 through 61.174, and 61.176, Water Code, as amended, and

1 Articles 8248, 8249, 8250, 8251, 8252, 8253, 8254, 8255, 8256,  
2 8257, and 8258, Revised Civil Statutes of Texas, 1925, as amended,  
3 as well as Chapter 6, Acts, 1941, Forty-seventh Legislature, Page  
4 8, as amended; Chapter 176, Acts, 1955, Fifty-fourth Legislature,  
5 Page 554; Chapter 217, Acts, 1949, Fifty-first Legislature, Page  
6 407; provided, that if there is any conflict or inconsistency  
7 between said laws or any of them, and this chapter, then to the  
8 extent of conflict or inconsistency, the provisions of this chapter  
9 shall govern.

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

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

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

22 (o) The County Treasurer of Harris County shall be treasurer  
23 of the authority, and [~~it~~] shall [~~be his duty to~~] open an account of  
24 all moneys received by the treasurer [~~him~~] belonging to the  
25 authority and all amounts paid out by the treasurer [~~him~~]. The  
26 treasurer [~~He~~] shall deposit the funds of the authority in such  
27 depository or depositories as may be designated by the port

1 commission in the manner provided by law [~~for the selection of a~~  
2 ~~county depository, and such depository so selected shall be the~~  
3 ~~depository of the authority for a period of two (2) years and until~~  
4 ~~its successor is selected and qualified]. Should the port~~

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

1 disbursed the proceeds of such bond issue; and the treasurer  
2 [~~County Treasurer~~] shall be allowed such compensation for [his]  
3 services performed as treasurer of the authority as may be  
4 determined by the port commission[~~, and such compensation shall be~~  
5 ~~paid to the Officers' Salary Fund of the County~~].

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

27 (q) The authority is authorized to acquire, purchase,



1 construct, enlarge, extend, repair, maintain, operate, or develop  
2 traffic control facilities and everything appurtenant thereto,  
3 together with all other facilities or aids incident to or useful in  
4 the operation or development of the ~~[authority's]~~ ports and  
5 waterways within the authority's jurisdiction, including the  
6 Houston Ship Channel, or in aid of navigation and commerce thereon.  
7 ~~[The traffic control facilities shall be financed out of available~~  
8 ~~revenue and shall not utilize bond revenue funds.]~~

9 SECTION 6. Section [5007.010](#), Special District Local Laws  
10 Code, is amended to read as follows:

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

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

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

21 SECTION 7. Subchapter B, Chapter [5007](#), Special District  
22 Local Laws Code, is amended by adding Section 5007.2065 to read as  
23 follows:

24 Sec. 5007.2065. SERVICE ON FREIGHT RAIL DISTRICT BOARD.  
25 The chair of the port commission may designate an officer or  
26 employee of the authority to serve on behalf of the chair as a  
27 director of a freight rail district created under Section [171.052](#),

1 Transportation Code.

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

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

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

10 (2) clear expense report protocols, including:

11 (A) the use of cash advances;

12 (B) the separation of reports from port  
13 commissioners and authority employees; and

14 (C) clear lines of accountability for the  
15 submission of reports; and

16 (3) a prohibition on the use of authority funds for a  
17 meal for a port commissioner or an authority employee that is not  
18 part of:

19 (A) approved travel for authority business;

20 (B) [or part of] a ceremonial or business-related  
21 function with outside parties;

22 (C) an employee training program; or

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

25 SECTION 9. This Act takes effect immediately if it receives  
26 a vote of two-thirds of all the members elected to each house, as  
27 provided by Section 39, Article III, Texas Constitution. If this

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1 Act does not receive the vote necessary for immediate effect, this

2 Act takes effect September 1, 2017.