

By: Middleton

H.B. No. 1776

A BILL TO BE ENTITLED

AN ACT

relating to property owned by navigation districts.

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

SECTION 1. Subchapter A, Chapter 5007, Special District Local Laws Code, is amended by adding Sections 5007.011 and 5007.012 to read as follows:

Sec. 5007.011. SALE OF CERTAIN REAL PROPERTY. (a) In this section, "taxing unit" has the meaning assigned by Section 1.04, Tax Code.

(b) The authority may not sell real property to a person if the ownership and use of the property under the new owner would render the property not subject to ad valorem taxation, unless the sale is approved by a resolution adopted by each taxing unit, other than the authority, in which the property is located.

Sec. 5007.012. SALE OR DEVELOPMENT OF REAL DISTRICT PROPERTY. (a) This section applies only to real property owned by the authority on Pelican Island.

(b) Not later than September 1, 2022, the authority shall:

(1) substantially develop the property; or

(2) sell the property at an auction open only to bidders other than entities approved by the Internal Revenue Service as tax exempt under Section 501(c)(3), Internal Revenue Code of 1986.

SECTION 2. Subchapter A, Chapter 60, Water Code, is amended

1 by adding Section 60.006 to read as follows:

2 Sec. 60.006. DISTRICT PROPERTY. Notwithstanding any other
3 law, a district may not own real property outside the district,
4 other than an easement or right-of-way necessary to gain access to
5 district property or perform district functions.

6 SECTION 3. The following sections of the Water Code are
7 repealed:

- 8 (1) Section 62.1071;
9 (2) Section 62.1072; and
10 (3) Section 62.209.

11 SECTION 4. A navigation district in violation of Section
12 60.006, Water Code, as added by this Act, on the effective date of
13 this Act, is not subject to penalty or suit related to that
14 violation if the navigation district completes a sale or transfer
15 of the property the ownership of which results in the violation not
16 later than September 1, 2022.

17 SECTION 5. This Act takes effect September 1, 2019.