

BILL ANALYSIS

C.S.H.B. 3713
By: Canales
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In Texas, several ports have projects authorized by the U.S. Congress under the federal Water Resources Development Acts to deepen and widen their respective channels. However, the financing of these projects through federal appropriations can take decades. There have been calls to allow Texas ports to facilitate the use of private funds to expedite these federally financed projects through the conveyance of land from a port to a long-term lessee. C.S.H.B. 3713 seeks to address this issue by authorizing certain navigation districts to sell certain property for purposes of funding these projects.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3713 amends the Water Code to authorize certain navigation districts, to the extent that the district has entered into a surface lease with an original term of at least 20 years, to sell the land, improvements, easements, and any other interests in the real property or any part of the real property to the surface lease counterparty. This authorization applies only to the following:

- a navigation district that controls a ship channel or waterway that is the subject of a project that has been authorized or modified by the U.S. Congress in the federal Water Resources Development Act of 2016 or the federal Water Resources Development Act of 2020; and
- a lease entered into before the bill's effective date.

C.S.H.B. 3713 authorizes the land, improvements, easements, and any other interests in the real property to be conveyed by the district to the surface lease counterparty without complying with certain statutory notice and bidding or other requirements. The bill sets out additional requirements for the sale and restricts the use of money received from the sale in excess of the sum of the reasonable market value of the property and the amount of rent due for the unexpired term of the surface lease to the purpose of such a federally authorized or modified project.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3713 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the original applied to a project for deepening a channel or waterway that has been authorized or modified by the U.S. Congress in certain federal laws, the substitute does not include the specification that the project is for deepening a channel or waterway and changes one of those referenced laws from the Water Resources Reform and Development Act of 2014, as in the original, to the Water Resources Development Act of 2016.

The substitute includes a provision absent from the original that makes the bill's provisions applicable only to a lease entered into before the bill's effective date.

The substitute includes a specification absent from the original that the interests the navigation district may sell include any interest in any part of the real property.

Whereas the original restricted the use of money received from the property sale in excess of the property's reasonable market value to deepening and widening of the channel or waterway, the substitute restricts the use of money received from the sale in excess of the sum of that market value and the amount of rent due for the unexpired term of the surface lease to the purpose of a project authorized or modified by the U.S. Congress in the federal Water Resources Development Act of 2016 or the federal Water Resources Development Act of 2020.