

BILL ANALYSIS

S.B. 782
By: Hinojosa
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In 1956 the State of Texas patented and sold the surface estate of certain state-owned submerged land in Nueces Bay to the entity that is now the Port of Corpus Christi Authority of Nueces County, Texas, to be used for navigation-related purposes. Following that conveyance, approximately 33 acres of submerged land known as the Rincon Tract was artificially filled and subsequently leased to a third party for non-navigation-related purposes. To settle a dispute regarding the usage of this tract, the tract was conveyed back to the state in 2012. In the summer of 2018, rapid growth at the port led the port to approach the General Land Office about leasing the tract for use as a storage site and during those discussions the port inquired about purchasing the tract at fair market value. However, only the legislature may authorize the sale of that tract. S.B. 782 seeks to provide for the conveyance of this tract from the state to the port subject to certain terms and conditions.

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

S.B. 782 requires the State of Texas to convey certain real property described by the bill to the Port of Corpus Christi Authority of Nueces County, Texas, to be used by the port only for applicable purposes reasonably related to the promotion of navigation. The bill prohibits the property from being conveyed for an amount less than its fair market value and requires that value to be established by an independent appraisal obtained by the asset management division of the General Land Office (GLO). The bill requires the proceeds from the property's sale to be paid to the state for the benefit of the permanent school fund and requires the state to reserve for the fund's benefit the state's interest in all oil, gas, and other minerals in and under the property. The bill requires the property's conveyance to be made subject to all valid covenants, conditions, reservations, restrictions, rights-of-way, easements, and leases, if any, that are recorded or apparent by visual inspection. The bill prohibits the port from doing the following:

- leasing the property for a use that is not reasonably related to the promotion of navigation; or
- disposing of the property except to sell the property to the state or exchange the property with the state in accordance with specified Water Code provisions.

The bill exempts the sale of the property under the bill from Natural Resources Code provisions relating to the GLO and real property accounting and management and sets out provisions relating to the property's history.

EFFECTIVE DATE

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