

BILL ANALYSIS

C.S.S.B. 1774
By: Alvarado
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.S.B. 1774 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.S.B. 1774 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.S.B. 1774 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. The bill prohibits a district from selling land under the bill's provisions to an entity that presents an undue security or safety risk to the state because of potential sabotage to or subversion of the integrity, operation, or maintenance of a ship channel or waterway of the state.

EFFECTIVE DATE

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

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 1774 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute includes a provision absent from the engrossed prohibiting an applicable navigation district from selling land to an entity that presents an undue security or safety risk to the state because of potential sabotage to or subversion of the integrity, operation, or maintenance of a ship channel or waterway of the state.