S.B. No. 1774

AN ACT

relating to the conveyance of certain real property by certain navigation districts.

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

SECTION 1.  Subchapter C, Chapter 60, Water Code, is amended by adding Section 60.0381 to read as follows:

Sec. 60.0381.  CONVEYANCE OF LAND BY CERTAIN NAVIGATION DISTRICTS. (a) This section applies only to:

(1)  a district that controls a ship channel or waterway that is the subject of a project that has been authorized or modified by the United States Congress in the Water Resources Development Act of 2016 (Pub. L. No. 114-322, Title I, 130 Stat. 1632) or the Water Resources Development Act of 2020 (Pub. L. No. 116-260, Div. AA, 134 Stat. 2615); and

(2)  a lease entered into before the effective date of the Act enacting this section.

(b)  Notwithstanding any other provision of law, including Section 5007.004, Special District Local Laws Code, to the extent that a district has entered into a surface lease with an original term of at least 20 years, the district may 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 according to this section. The land, improvements, easements, and any other interests in real property may be conveyed by the district to the surface lease counterparty, without complying with the notice and bidding or other requirements of Sections 60.040-60.042. The sale must be:

(1)  approved by the port commission;

(2)  executed by the chair of the port commission;

(3)  attested by the executive director of the district; and

(4)  made for an amount that is not less than the reasonable market value of the land, improvements paid for by the district, easements, or other interest in real property, as applicable, at the time of contracting for the sale.

(c)  Money received from the sale of real property as described by this section 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 may be used only for the purpose of a project that has been authorized or modified by the United States Congress in the Water Resources Development Act of 2016 (Pub. L. No. 114-322, Title I, 130 Stat. 1632) or the Water Resources Development Act of 2020 (Pub. L. No. 116-260, Div. AA, 134 Stat. 2615).

(d)  A district may not sell land under this section to an entity that presents an undue security or safety risk to this state because of potential sabotage to or subversion of the integrity, operation, or maintenance of a ship channel or waterway of this state.

SECTION 2.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.

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I hereby certify that S.B. No. 1774 passed the Senate on April 19, 2021, by the following vote: Yeas 30, Nays 1; and that the Senate concurred in House amendment on May 13, 2021, by the following vote: Yeas 30, Nays 0.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    Secretary of the Senate

I hereby certify that S.B. No. 1774 passed the House, with amendment, on May 6, 2021, by the following vote: Yeas 142, Nays 0, two present not voting.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    Chief Clerk of the House

Approved:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_             Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_           Governor