

BILL ANALYSIS

S.B. 818
By: Alvarado
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, navigation districts do not have the authority to exchange real property or interests in real property or the authority to impose restrictions on the development, use, and transfer of any real property or interest in real property in connection with its sale or exchange to achieve a public purpose. S.B. 818 seeks to address this issue by authorizing a navigation district to exchange real property or any interest in real property owned by the district, regardless of the manner of acquisition, except for certain lands or flats, and to impose restrictions on the development, use, and transfer of any real property or interest in real property in connection with a sale or exchange.

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. 818 amends the Water Code to revise provisions applicable to a navigation district's authority to dispose of district land by sale or lease to make them applicable to a district's authority to sell, lease, or exchange real property or any interest in real property.

S.B. 818 authorizes a navigation district to exchange real property or any interest in real property owned by the district, regardless of the manner of acquisition, except for certain lands or flats that may only be sold to the state or exchanged with the state for adjacent littoral land. In addition, as with the sale of real property by a navigation district:

- the navigation and canal commission must determine by resolution that the real property subject to exchange is no longer needed for use by the district in connection with the development of a navigation project before exchanging the property, except for a disposition made to an electric or telecommunications utility as authorized by the bill; and
- such an exchange must be made as provided by specified state law governing notice and bidding requirements and with requirements regarding the award and execution of a deed or lease, applicable to all navigation district sales and easements and to all navigation district leases in excess of 50 years.

S.B. 818 provides that a navigation district may impose restrictions on the development, use, and transfer of any real property or interest in real property in connection with a sale or exchange.

S.B. 818 authorizes a navigation district to donate, exchange, convey, sell, or lease land, improvements, easements, or any other interests in real property to an electric utility or a telecommunications utility to promote a public purpose related to the development of the district and to do so for less than the fair market value of the real property interest and without complying with the specified notice, bidding, and award and execution requirements previously described. The bill requires the district to determine the terms and conditions of the transaction so as to achieve the public purpose and be consistent with the requirements of the Public Utility Regulatory Act.

S.B. 818 provides the following with respect to narrow strips of real property resulting from boundary or surveying conflicts or similar causes, or from insubstantial encroachments by abutting real property owners, or real property of larger configuration that has been subject to encroachments by abutting real property owners for more than 25 years:

- such real property may be abandoned, released, exchanged, or transferred to such abutting owners on terms and conditions considered appropriate or advantageous to the district; and
- a district may convey such real property for less than its fair market value and without complying with the specified notice, bidding, and award and execution requirements previously described.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.