

BILL ANALYSIS

C.S.S.B. 1500
By: Nichols
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Statutes governing navigation districts have been amended many times since their codification in 1971 to keep up with best practices, but additional changes are needed to allow port authorities to continue to do business and enhance the state's economic development. According to the Texas Ports Association, Texas ports are responsible for 25 percent of the state's GDP. C.S.S.B. 1500 seeks to enact administrative changes that will allow Texas port authorities to be more efficient and cost effective, consistent with inflation and changes in supply chain logistics.

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. 1500 amends the Water Code to authorize a port commission to delegate authority to an authorized designated officer of the port commission, the executive director of the navigation district or port authority, or an authorized representative of the executive director to make routine purchases or contracts in an amount not to exceed \$100,000.

C.S.S.B. 1500 authorizes the executive director of a navigation district, or an officer of a district authorized in writing by the port commission, to make emergency purchases or contracts or emergency amendments to existing purchase orders or contracts in an amount that exceeds the cap on routine purchases or contracts if necessary to respond to an emergency related to supply chain disruptions or shortages or other disruptions or stoppages in the operation of the district which, without harm to the welfare of the district, does not permit the delay incident to the competitive process or would result in undue costs to the district. The bill exempts a contract for the purchase of an item to respond to such an emergency from applicable competitive bidding requirements and proposal procedures.

C.S.S.B. 1500 clarifies that the condemnation procedure that an Article XVI, Section 59, navigation district may elect to use is the condemnation procedure provided in Property Code provisions relating to eminent domain. The bill extends the authorization for such a district to enter into operating contracts and leases with cities and other governmental subdivisions for the operation of the portions of the district's water system which are designated by the navigation board to also apply with respect to portions of the water system designated by the navigation and canal commission.

C.S.S.B. 1500 extends the authority of a navigation and canal commission to take the following actions to a board of trustees of a municipal port facility:

- periodically dispose of surplus or salvage personal property in the same manner as the commissioners court of a county; and
- authorize the destruction or disposition of certain salvage or surplus property as worthless.

The bill authorizes a navigation and canal commission or such a board of trustees to authorize, following any required action by the U.S. Army Corps of Engineers, the sale of dredge material from a dredge material placement area to any person on such terms and conditions as the commission or board of trustees considers appropriate or advantageous to the district.

EFFECTIVE DATE

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

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 1500 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 omits the following provisions that were present in the engrossed:

- provisions defining "historically underutilized business" and "small business" by reference, and "local business" as a business concern with a principal place of business in the local area of a district, as determined by the port commission;
- an authorization for a district to develop and administer a program for purposes of stimulating business and commercial activity within the district;
- an authorization for a district in developing and administering such a program to contract with another entity, use district funds and employees, and accept contributions, gifts, and other resources;
- an authorization for such a program to set contract percentage goals for participation by local businesses, small businesses, and historically underutilized businesses in public contract awards by the district; and
- an authorization for a district that requests bids or proposals to reject any and all bids or proposals submitted.