

BILL ANALYSIS

C.S.H.B. 2954
By: Metcalf
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, navigation districts conduct dredging projects to maintain waterway access, but the bill author has informed the committee that there has been ambiguity regarding who bears the cost of relocating or disposing of dredged materials. C.S.H.B. 2954 seeks to ensure smoother execution of dredging projects critical to waterway infrastructure and economic development by clarifying the financial responsibility of a navigation district that requires the relocation or removal of dredged spoils or materials from a dredged material placement area owned, operated, managed, or established by another district.

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.H.B. 2954 amends the Water Code to require a navigation district that, in an exercise of its powers under provisions relating to improvement of port facilities, its power of eminent domain, or its police power, requires the relocation or removal of dredged spoils or materials from a dredged material placement area owned, operated, managed, or established by another district to do the following:

- comply with all requirements imposed by the United States Army Corp of Engineers related to the dredged material placement area; and
- either:
 - pay at the district's sole expense the cost of relocating or removing dredged spoils or materials; or
 - relocate or remove the dredged spoils or materials.

The bill defines "dredged material placement area" as a federally authorized disposal site for dredged spoils or materials and defines "sole expense" as the actual cost of or an in-kind contribution for the relocation or removal after deducting the net salvage value derived from the dredged spoils or materials.

C.S.H.B. 2954 obligates the district that required the relocation or removal to do the following if the relocation or removal results in the reduction of another district's rights to capacity in the dredged material placement area:

- replace the affected district's lost capacity and provide rights to the replaced lost capacity in an alternative dredged material placement area; and

- pay the affected district's increased costs, if any, to transport the dredged spoils or materials associated with the lost capacity to the alternative dredged material placement area.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 2954 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute makes the following changes to the introduced version's requirement for a navigation district that, in an exercise of certain powers, requires the relocation or removal of dredged spoils or materials to pay at the district's sole expense the cost of such relocation or removal or to relocate or remove the dredged spoils or materials:

- limits that requirement to a relocation or removal of dredged spoils or materials from a dredged material placement area owned, operated, managed, or established by another district; and
- includes a requirement absent from the introduced for the district that requires the removal or relocation to comply with all requirements imposed by the United States Army Corp of Engineers related to the dredged material placement area.

The substitute includes a provision absent from the introduced defining "dredged material placement area" and revises the definition of "sole expense" included in the introduced to provide for the option of an in-kind contribution.

The substitute includes a provision absent from the introduced that obligates the district that required the relocation or removal of dredged spoils or materials to do the following if the relocation or removal results in the reduction of another district's rights to capacity in the dredged material placement area:

- replace the affected district's lost capacity and provide rights to the replaced lost capacity in an alternative dredged material placement area; and
- pay the affected district's increased costs, if any, to transport the dredged spoils or materials associated with the lost capacity to the alternative dredged material placement area.