

BILL ANALYSIS

H.B. 5669
By: Phelan
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill author has informed the committee that, since its creation by the legislature in 1973, the Sabine Pass Port Authority has seen notable growth in both traffic and responsibilities. The bill author has also informed the committee that, throughout this time, the authority has been limited in its ability to adequately provide industrial, commercial, and related infrastructure. H.B. 5669 seeks to meet the current needs of Sabine Pass and local industries without any grant of additional taxing authority by making revisions to the authority's governing statute, specifically provisions regarding the structure of the authority's board of commissioners and the powers and duties of the authority. The bill additionally changes the name of the authority to the Port of Sabine Pass.

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

H.B. 5669 amends the Special District Local Laws Code to change the name of the Sabine Pass Port Authority and to revise provisions relating to the election and compensation of the authority's commissioners, the issuance of bonds, and the powers and duties of the authority.

Name Change and Legislative Findings of Purpose and Benefit

H.B. 5669 changes the name of the Sabine Pass Port Authority to the Port of Sabine Pass and, accordingly, replaces references in statute to the authority with references to the port. The bill revises legislative findings relating to the port as follows:

- establishes that the legislature finds, in addition to being essential to accomplish the purposes of provisions of the Texas Constitution relating to conservation and the development of natural resources, the development of parks and recreational facilities, and conservation and reclamation districts, the port is essential to accomplish the purposes of provisions of the Texas Constitution relating to programs and loans or grants of public money for economic development;
- establishes that the legislature finds that by granting the port powers under the port's governing statute, as amended by the bill, the legislature has established a program to accomplish the public purposes set out in provisions of the Texas Constitution relating to programs and loans or grants of public money for economic development;
- establishes that the legislature finds that the port serves a public use and benefit; and

- replaces a provision establishing that the legislature finds that all territory in the authority benefits from the authority's improvements, works, and facilities with a provision establishing that the legislature finds that all land and other property included in the port will benefit from the improvements and services to be provided by the port under powers conferred by the previously specified provisions of the Texas Constitution and other powers granted by the port's governing statute.

Terms and Compensation of Commissioners

H.B. 5669, with respect to the commission of the Port of Sabine Pass which governs the port and is composed of five elected commissioners, revises as follows the provision establishing that the commissioners serve staggered two-year terms with two commissioners elected in each even-numbered year and three commissioners elected in each odd-numbered year:

- changes the length of a commissioner's term from two years to four years;
- establishes that the appropriate number of commissioners are to be elected in each even-numbered year; and
- replaces the staggered election of commissioners with an election of commissioners on the uniform election date in May.

The bill requires the port to hold an election for all five commissioners on the uniform election date in May 2026, and establishes that the terms of the commissioners serving on the port commission on the bill's effective date expire on the date the commissioners elected on that election date have qualified. The bill requires the five elected commissioners, at the first meeting of the commissioners that follows the election held on the uniform election date in May 2026, to draw lots to determine which three commissioners serve an initial term of two years, and which two commissioners serve a term of four years.

H.B. 5669 replaces the requirement for notice of a commissioner's election to be given by publishing notice once each week for two consecutive weeks in a newspaper with general circulation in the port, with the first publication being made not earlier than the 60th day before the date of the election and not later than the 21st day before the date of the election, with a requirement for such a notice to be signed by the port commission's presiding officer or secretary and posted in accordance with applicable Election Code provisions relating to methods of giving notice of an election.

H.B. 5669 replaces the provision establishing that each commissioner, unless otherwise provided, is entitled to receive a fee of not more than \$50 a day for each day of service necessary to discharge the duties of a commissioner with a provision establishing that each commissioner is entitled to receive \$600 per month for the commissioner's services.

Powers and Duties of the Port

H.B. 5669 authorizes the port to use port property for the following purposes:

- job creation and retention;
- economic development;
- industry;
- commerce;
- manufacturing;
- housing;
- recreation;
- infrastructure installation on port property; or
- any other activity essential to accomplish the purposes of provisions of the Texas Constitution relating to programs and loans or grants of public money for economic development.

For these purposes, the bill authorizes the port to develop, construct, improve, maintain, equip, and furnish buildings, equipment, facilities, or improvements on or to port property and lease

port property on terms the port commission considers advisable to allow for those activities to occur. The bill authorizes the port to enter into a contract with another person to accomplish these purposes on terms the port commission considers appropriate, desirable, and in the port's best interests. The bill prohibits the port from issuing bonds or other obligations payable from property taxes to finance a project authorized under these provisions.

H.B. 5669 specifies that the authorization for a lease under Water Code provisions relating to the acquisition and maintenance of port facilities to contain any provision the port commission determines is advantageous to the port includes a provision for the management and operation of a leased property by the port.

H.B. 5669 replaces a requirement for the port, before the port commission enters into a contract for the expenditure of an amount of \$25,000 or more, to submit a proposed contract for competitive bids with an authorization for the port commission to make purchases and contracts as provided by Water Code provisions relating to competitive bidding requirements and purchase contracts. Accordingly, the bill repeals provisions relating to competitive bidding for certain contracts.

Bonds

H.B. 5669 replaces the requirement for an election to approve the issuance by the port of bonds payable from taxes to be held in the manner provided for bond elections under Water Code provisions relating to municipal utility districts with a requirement for such an election to be held in the manner provided under Government Code provisions relating to bond elections. The bill expands the provisions that a bond resolution may contain to include provisions securing the payment of the principal of and interest on the bonds and of the sinking fund or reserve fund payments associated with the bonds by pledging all or any part of any contract payments received by the port, including payments received in lieu of taxes under a tax abatement agreement entered into under the Property Redevelopment and Tax Abatement Act.

Miscellaneous Provisions

H.B. 5669 establishes that all applicable requirements relating to the following have been fulfilled and accomplished with respect to the bill:

- the legal notice of the intention to introduce;
- governor action;
- the Texas Commission on Environmental Quality recommendations; and
- the state constitution and laws and legislative rules and procedures.

H.B. 5669 repeals Sections 5012.0109(b), (c), and (d), Special District Local Laws Code.

EFFECTIVE DATE

September 1, 2025.