

## **BILL ANALYSIS**

C.S.H.B. 4021  
By: Deshotel  
Texas Ports, Innovation & Infrastructure, Select  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Concerned observers warn that Texas ports and the state's manufacturing industry face an unprecedented competitive threat as ports in neighboring states race to improve their port depth and infrastructure to meet and seize fast-approaching opportunities. C.S.H.B. 4021 seeks to keep Texas competitive in this regard by laying the groundwork for future port financing options and by creating the ship channel improvement revolving fund.

### **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 rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 4 of this bill.

### **ANALYSIS**

C.S.H.B. 4021 amends the Transportation Code to establish the ship channel improvement revolving fund as an account in the general revenue fund administered by the Texas Transportation Commission. The bill sets out the sources of money required to be credited to the fund, restricts appropriation of money in the fund to the commission for the purposes of administering the fund and the revolving loan program established under the bill's provisions, and subjects the financial transactions of the fund to audit by the state auditor. The bill requires the commission by rule to establish a revolving loan program to use money from the fund to finance qualified projects for navigation districts. The bill requires a project, for purposes of qualifying, to deepen or widen a ship channel, to be authorized by the United States Congress, and to meet any other standards provided by commission rule. The bill establishes that a project for maintenance dredging is not a qualified project under the revolving loan program.

C.S.H.B. 4021 replaces the authorization for the commission to use money from the Texas mobility fund to provide funding, including through a loan, for a port security project, a port transportation project, or certain projects eligible for port development funding with an authorization for the commission to use money from that fund to provide funding for the construction or improvement of public roadways that will enhance connectivity to ports. The bill increases the number of members serving on the port authority advisory committee from seven to nine by adding one member appointed by the lieutenant governor and one member appointed by the speaker of the house of representatives.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 4021 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 55.001, Transportation Code, is amended.

SECTION 2. Section 55.002(e), Transportation Code, is amended.

No equivalent provision.

SECTION 3. Subtitle A, Title 4, Transportation Code, is amended by adding Chapter 56 to read as follows:

CHAPTER 56. FUNDING OF SHIP CHANNEL IMPROVEMENTS

Sec. 56.001. DEFINITIONS. In this chapter:

(1) "Commission" means the Texas Transportation Commission.

(2) "Department" means the Texas Department of Transportation.

(3) "Fund" means the ship channel improvement revolving fund.

(4) "Navigation district" means a navigation district created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, and operating under Chapter 60, 61, 62, or 63, Water Code.

Sec. 56.002. SHIP CHANNEL IMPROVEMENT REVOLVING FUND.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Substantially the same as introduced version.

SECTION 2. Same as introduced version.

SECTION 3. Section 55.006(a), Transportation Code, is amended to read as follows:

(a) The committee consists of nine ~~seven~~ members appointed ~~[by the commission. The members shall be appointed]~~ as follows:

(1) one member from the Port of Houston Authority appointed by the commission;

(2) three members who represent maritime ports on the upper Texas coast appointed by the commission; ~~[and]~~

(3) three members who represent maritime ports on the lower Texas coast appointed by the commission;

(4) one member appointed by the lieutenant governor; and

(5) one member appointed by the speaker of the house of representatives.

SECTION 4. Subtitle A, Title 4, Transportation Code, is amended by adding Chapter 56 to read as follows:

CHAPTER 56. FUNDING OF SHIP CHANNEL IMPROVEMENTS

Sec. 56.001. DEFINITIONS. In this chapter:

(1) "Commission" means the Texas Transportation Commission.

(2) "Fund" means the ship channel improvement revolving fund.

(3) "Navigation district" means a navigation district created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, and operating under Chapter 60, 61, 62, or 63, Water Code.

Sec. 56.002. SHIP CHANNEL IMPROVEMENT REVOLVING FUND.

The ship channel improvement revolving fund is an account in the general revenue fund. The fund is administered by the department.

(a) The ship channel improvement revolving fund is an account in the general revenue fund. The fund is administered by the commission.

(b) The following money shall be credited to the fund:

(1) money the commission receives as a gift, grant, or donation for a purpose of this chapter;

(2) money appropriated to the commission for the purposes of this chapter;

(3) money received by the commission for the repayment of a loan made by the program established under Section 56.003; and

(4) interest earned on deposits and investments of the fund.

(c) Money in the fund may be appropriated only to the commission for the purposes of administering the fund and the program established under Section 56.003.

(d) The financial transactions of the fund are subject to audit by the state auditor.

Sec. 56.003. REVOLVING LOAN PROGRAM. (a) The commission by rule shall establish a revolving loan program to use money from the fund to finance qualified projects for navigation districts.

(b) To be a qualified project, a project must:

(1) deepen or widen a ship channel;

(2) be authorized by the United States Congress; and

(3) meet any other standards provided by commission rule.

(c) A project for maintenance dredging is not a qualified project under this section.

SECTION 4. 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, 2017.

SECTION 5. Same as introduced version.