

BILL ANALYSIS

S.B. 635
By: Lucio
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Port of Harlingen Authority is the second-largest port in Cameron County and generates approximately \$1 billion worth of state revenue each year. Although the port has been in operation for almost a century, current statute does not sufficiently provide for the administration and operation of the Port of Harlingen Authority. S.B. 635 seeks to remedy this situation by clarifying the powers, duties, and administration of the Port of Harlingen Authority.

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. 635 amends the Special District Local Laws Code to require the governing body of the Port of Harlingen Authority to hire or appoint a treasurer of the authority and to authorize the governing body to terminate or suspend the employment or appointment of the treasurer. The bill does the following:

- sets out the powers and duties of the treasurer and requires the treasurer to pay all authority expenses from authority funds;
- provides for the territory of the authority;
- provides for the election and staggered terms of five port commissioners, elected at large;
- makes Water Code provisions regarding the powers and duties of navigation districts applicable to all sales and leases entered into by the authority;
- authorizes the authority to enter into a surface lease for a maximum period of 99 years and establishes that the authority is expressly not required to publish notice for a sale, easement, or lease for such a period; and
- exempts a bid on real property to be sold by the authority from Water Code provisions relating to the sale or lease for more than 50 years of real property.

S.B. 635 authorizes the authority to impose a property tax at a maximum rate of 10 cents on each \$100 valuation of all taxable property in the authority for the maintenance, operation, and upkeep of the authority and the improvements constructed by the authority. The bill does the following:

- authorizes the authority to change the rate or suspend collection of the tax in the manner provided by law for official action by the authority, subject to the cap on the tax;
- exempts the authority from the imposition of a maintenance tax by the commissioners courts of the respective counties inside the district;

- requires the authority to select a depository for the authority in the same manner that a municipality selects a municipal depository and in a manner to ensure that authority funds are fully insured by the FDIC or the National Credit Union Share Insurance Fund; and
- authorizes the authority to select more than one institution to serve as a depository in order to comply with the depository requirement.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.