

- SUBJECT:** Revising the operation of ship channel districts
- COMMITTEE:** Transportation — committee substitute recommended
- VOTE:** 9 ayes — Phillips, Darby, Bonnen, Fletcher, Lavender, Martinez, McClendon, Pickett, Rodriguez
- 0 nays
- 2 absent — Y. Davis, Harper-Brown
- WITNESSES:** For — Gregory DeLong, Houston Ship Channel Security District; (*Registered, but did not testify:* Gary Bushell, Alliance For I-69 Texas; Ed Sterling, Texas Press Association and Texas Daily Newspaper Association)
- Against — None
- On — Hector Rivero, Texas Chemical Council
- BACKGROUND:** Water Code ch. 68 creates and sets rules and guidelines for ship channel security districts.
- A county commissioners court is required to appoint two directors for each shipping channel security zone from a two-person nomination list voted on by facility owners in each zone. The district's board of directors may determine how often it meets, but the board must hold meetings in its district.
- The board of directors may impose an assessment against facilities for any district purpose. Within 30 days before a hearing that imposes an assessment, the district must provide notice to each facility owner by certified mail to the address on the facility's appraisal record. When imposing the assessment, the board must specify the method of payment, including if it is to be paid in periodic installments.
- DIGEST:** CSHB 2232 would require a county commissioners court to appoint one or two nominees who received the highest number of votes from facility owners in each security zone to staggered terms as directors. This change

would apply only to directors nominated on or after the effective date of the bill. Successive directors would be appointed in the same manner as their predecessors.

The bill would require the board of directors to meet at least once a year in Texas. This meeting could be combined with an assessment hearing. At each meeting, the board would have to publicize:

- all federal and district funds received and spent by the district;
- a summary or description of all security projects implemented, pending, or planned; and
- estimates of the total funds expected through the imposition of assessments and how those funds would be used.

The bill would require the county commissioners court to provide quarterly financial reports to the board. It also would require the board to prepare quarterly accounting of the district's general operating and maintenance costs.

CSHB 2232 would clarify that the board may impose one or more assessments against a facility for any district purpose, including general purposes or specific security projects or services. It would prohibit the board from imposing an assessment until it held a hearing.

If a facility's appraisal records did not accurately reflect its address when the district sent notification on an assessment hearing, the district would be required to send a notice of the hearing to the facility's physical address.

If required to pay an assessment, a facility would have to do so in one lump sum, unless the board allowed it to be paid in installments.

The bill would allow the board of directors, or facility owners through the board, to petition the county commissioners court to add or exclude territory in a security zone. The petition would have to describe the territory to be added or excluded, the facilities in the territory, and the final territory of the district after the changes. Any proposed addition or exclusion would be subject to a public hearing. The commissioners court could grant the request for adding territory if it determined that a security project or service in the district would benefit the facility. The commissioners court could grant the request for excluding territory if it

found that doing so would be practical, just, and reasonable.

A commissioners court that granted a petition to add or exclude territory would have to modify the original order creating the district to reflect the changes made.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2011.

**SUPPORTERS
SAY:**

The ship channel security district is a public-private partnership helping improve security within the Houston Ship Channel area. The district was created in 2009 as a result of HB 3011, enacted by the 80th Legislature. CSHB 2232 would clarify and amend language allowing the district to operate more effectively.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The companion bill, SB 1104 by Jackson, passed the Senate on April 29.