

- SUBJECT:** Exempting a navigation district from taxation
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 10 ayes — D. Bonnen, Bohac, Darby, E. Johnson, Murphy, Murr, Raymond, Shine, Springer, Stephenson
- 0 nays
- 1 absent — Y. Davis
- WITNESSES:** For — Jimmy Welder, Port of Corpus Christi Authority; (*Registered, but did not testify*: Ron Lewis, Port of Beaumont; Spencer Chambers, Texas Ports Association)
- Against — None
- BACKGROUND:** Water Code, ch. 60 governs Texas port authorities, which operate as “navigation districts,” and as political subdivisions of the state. Tax Code, sec. 11.11 exempts property owned by a political subdivision of the state from taxation if it is used for public purposes.
- Observers note that at least one taxing district has considered taxing the property of a port authority.
- DIGEST:** HB 2591 would provide that the property of a navigation district is public property used for an essential public purpose and would thereby exempt a navigation district from all taxes and special assessments imposed by the state or a political subdivision.
- This 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, 2017.
- NOTES:** According to the Legislative Budget Board, to the extent that navigation district property is not currently exempt, there would be a cost to local

taxing units and to the state through the school funding formula.

The companion bill, SB 1133 by Hinojosa, passed the Senate on April 26 and reported favorably from the House Ways and Means Committee on May 5.