

SUBJECT: Authorizing revenue bonds to fund certain ship channel improvements

COMMITTEE: Transportation — committee substitute recommended

VOTE: 12 ayes — Canales, Bernal, Y. Davis, Goldman, Hefner, Krause, Leman, Martinez, Ortega, Raney, Thierry, E. Thompson

0 nays

1 absent — Landgraf

WITNESSES: For — Keith Strama, Sabine Neches Navigation District; (*Registered, but did not testify*: Gabriel Garza, International Longshoremen’s Association, Local Union 24; Elise Richardson, Port Freeport; Chris Fisher, Port of Beaumont; Mario Martinez, Port of Brownsville; Nelda Olivo, Port of Corpus Christi; and 14 individuals)

Against — None

BACKGROUND: Transportation Code ch. 56 establishes the ship channel improvement revolving fund and the revolving loan program, which are overseen by the Texas Transportation Commission. The revolving loan program uses money from the fund to provide financing to navigation districts for qualified ship channel projects.

It has been suggested that refining the ways in which financing can be provided through the ship channel improvement revolving fund would allow for greater flexibility in providing needed aid for ship channel projects.

DIGEST: CSHB 3850 would authorize the Texas Transportation Commission to issue revenue bonds to provide money for the ship channel improvement revolving fund. The commission would be required to deposit proceeds from issued bonds in the fund.

Under the bill, the revolving loan program would use money from the ship

channel improvement revolving fund to enhance the financing capabilities of entities responsible for the local share of qualified project costs by providing revenue or security for:

- low-interest loans;
- longer repayment terms for loans; and
- flexible loan repayment terms, including loan structures similar to a line of credit and the authorized prepayment of loans.

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, 2019.