

SUBJECT: Revising powers and duties of navigation districts and certain port boards

COMMITTEE: Transportation — committee substitute recommended

VOTE: 11 ayes — Canales, Raney, Ashby, Davis, Gámez, Caroline Harris, Lozano, Lujan, Ordaz, Perez, Romero

0 nays

2 absent — Landgraf, Patterson

WITNESSES: For — Chris Fisher, Port of Beaumont and Texas Ports Association; Victor Martinez Jr, Port of Palacios/Texas Ports Association (*Registered, but did not testify*); Greg Macksood, Calhoun Port Authority; Julie Williams, Chevron; Michael Vargas, Pharr International Bridge / City of Pharr; Gavin Massingill, Port Freeport; Kerrick Henny, Port Houston; Mario A. Martinez, Port of Brownsville; Brian Yarbrough, Port of Corpus Christi Authority; Glenna Bruun, Texas Ports Association; Dana Moore, Texas Trucking Association)

Against — None

On — (*Registered, but did not testify*): Shawn Hall Lecuona, The Voice of Justice and of Consanguinity)

BACKGROUND: Some have suggested that changes to statutes governing navigation districts are needed to make Texas port authorities more efficient and cost-effective.

DIGEST: CSHB 2606 would authorize a port commission to delegate authority to a designated officer, the executive director of the navigation district or port authority, or an authorized representative of the executive director to make routine purchases or contracts up to \$100,000.

The bill would allow a district executive director or officer authorized by the port commission to make emergency purchases or contracts or

amendments to existing orders or contracts that exceeded the amount authorized for routine purchases or contracts if necessary to respond to an emergency related to certain supply chain disruptions or shortages or other disruptions or stoppages. A contract for purchase of an item to respond to such an emergency would be exempt from applicable competitive bidding requirements and proposal procedures.

The bill would specify that the authorization for a navigation district to enter into contracts and leases with cities and other governmental subdivisions for the operation of designated portions of the district's water system would apply to portions designated by the navigation and canal commission, in addition to the navigation board.

The bill would extend to a municipal port board of trustees the authority for a navigation and canal commission to dispose of salvage or surplus personal property, and allow the commission or board, following any required action by the U.S. Army Corp of Engineers, to authorize the sale of dredge material from a dredge material placement area to any person on terms that the commission or board considered appropriate or advantageous to the navigation district.

The bill would specify that a navigation district could use the eminent domain condemnation procedure provided in the Property Code.

CSHB 2606 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, 2023.