

BILL ANALYSIS

Senate Research Center
78R7704 RCJ-D

S.B. 1254
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Natural Resources
4/17/2003
As Filed

DIGEST AND PURPOSE

Currently, the Texas Water Code allows property to be leased to a company for less than ten years without a bid process. Some perceive the code as putting Texas ports at a disadvantage with other ports around the nation. Individual maritime companies at times will guarantee significant capital investment into properties at public ports but only with a long-term lease to give the company enough time to recover the expenditure. Many Texas airports already have provisions allowing leases of property for up to 30 years without a bid. As proposed, S.B. 1254 brings Texas ports in line with competing states and Texas airports.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 60.039, Water Code, as follows:

Sec. 60.039. New heading: SURFACE LEASE FOR NOT MORE THAN 30 YEARS. Authorizes the navigation and canal commission (commission) to lease the surface of land for not more than 30, rather than 10, years by the entry of an order on the minutes of the commission and the execution of a lease in the manner provided by the original order. Makes a conforming change.

SECTION 2. Amends Section 60.040, Water Code, to make conforming changes.

SECTION 3. Amends Section 60.041, Water Code, to make conforming changes.

SECTION 4. Amends the heading to Section 60.042, Water Code, to make a conforming change.

SECTION 5. Amends Section 60.151, Water Code, as follows:

Sec. 60.151. PURPOSE. Provides that it is the purpose and intent of this subchapter to confer on districts individually, jointly, or mutually interested in a navigation project, including a project relating to improvements and facilities described in Sections 60.032 and 60.101 of this code, the fullest possible power of contract with regard to navigation or other projects of individual or common interest.

SECTION 6. Amends Section 60.152(a), Water Code, to authorize one, rather than two, or more districts, which are interested in or may, in the judgment of the commission, be benefited by a navigation or other project, to enter into contracts with the United States or with another district, rather than each other, or both, to consummate navigation or other projects of common interest.

SECTION 7. Amends Section 60.403(a), Water Code, to authorize a port commission, authorized designated officer of the port commission, or authorized designated employee of a port authority or district to make routine purchases or contracts in an amount not to exceed \$25,000.

SECTION 8. Amends Subchapter N, Chapter 60, Water Code, by adding Section 60.4115, as follows:

Sec. 60.4115. NOTIFICATION OF SAFETY AND ENVIRONMENTAL RECORD OF CONTRACTOR. (a) Requires a person that enters into a contract with a district or port authority to provide, at the request of the district or port authority, notice to the district or authority of any citation, notice of violation or penalty, or other similar document, regarding a serious safety or environmental violation that the person received from an agency or department of this state or of the federal government. Requires the notice to include certain information.

(b) Authorizes a district or port authority to terminate a contract with a person if the district or authority determines that the person failed to give notice as required by Subsection (a) or misrepresented conduct that resulted in a citation, notice of violation or penalty, or similar sanction. Requires the district or port authority to compensate the person for services performed before the termination of the contract.

(c) Provides that this section applies to all purchasing methods available to a district or port authority.

SECTION 9. (a) Effective date: upon passage or September 1, 2003.

(b) and (c) Make application of this Act prospective.