

BILL ANALYSIS

Senate Research Center
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S.B. 1133
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Transportation
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas port authorities are political subdivisions of the state operating as navigation districts under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution and the laws of the State of Texas, particularly Chapters 60-62, Water Code. Both the Texas Constitution and the Water Code give districts the responsibility to operate and develop the state's inland and coastal waters. In carrying out this mission, districts routinely acquire land to aid in the development of navigation and navigation-related commerce. Such acquisition of land "and the operation and industrial and business development of ports and waterways are a public purpose and a matter of public necessity" under Texas Water Code §62.107.

As governmental entities, real property and facilities owned by Texas ports have not been subject to ad valorem taxation, while property taxes have been levied on private improvements within the district. Texas ports are attracting national and international investment, prompting districts to acquire additional land and facilities to accommodate their mission. This growth has resulted in some confusion about the taxability of port-owned property, despite districts' public purpose and status as political subdivisions.

S.B. 1133 explicitly states that district property is public property used for a public purpose and is exempt from all taxes and special assessments imposed by the state or a political subdivision of the state.

As proposed, S.B. 1133 amends current law relating to the exemption from taxes and special assessments of property of a navigation district.

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 Subchapter A, Chapter 60, Water Code, by adding Section 60.005, as follows:

Sec. 60.005. EXEMPTION FROM TAXATION AND SPECIAL ASSESSMENTS. Provides that the property of a navigation district (district) is public property used for essential public and governmental purposes. Provides that the district and the district's property are exempt from all taxes and special assessments imposed by this state or a political subdivision of this state.

SECTION 2. Effective date: upon passage or September 1, 2017.