

By: Smith

H.B. No. 3152

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the Port of Houston Authority.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 5007.002(a), Special District Local Laws Code, is amended to read as follows:

(a) That, effective June 6, 1927, the Harris County Houston Ship Channel Navigation District of Harris County, Texas, in Harris County, as hereinafter described by metes and bounds, is hereby created and established under authority of Article 3, Section 52, of the Constitution of the State of Texas, for the purpose of the development of deep water navigation and the improvement of rivers, bays, creeks, streams, and canals within or adjacent to the authority, including the Houston Ship Channel, which extends into the Gulf of Mexico, and dredge material management areas, and to construct and maintain canals or waterways to permit navigation or in aid thereof and for the purpose of and authority to acquire, purchase, undertake, construct, maintain, operate, develop, and regulate wharves, docks, warehouses, grain elevators, bunkering facilities, belt railroads, floating plants, lighterage, lands, towing facilities, and all other facilities or aids incident to or necessary to the operation or development of ports or waterways within the authority, including the Houston Ship Channel, which extends into ~~[and extending to]~~ the Gulf of Mexico, and dredge material management areas, as provided in Chapter 9 of the Revised

1 Statutes of 1925; and all orders of the Commissioners' Court of
2 Harris County, Texas, and of the Navigation Commissioners,
3 heretofore made in respect to the creation of such authority and the
4 authorization and issuance of the bonds of said authority are
5 hereby in all things ratified, confirmed, and validated.

6 SECTION 2. Sections 5007.004(a),(b), and (c), Special
7 District Local Laws Code, are amended to read as follows:

8 (a) That all right, title and interest of the State of
9 Texas, to all lands hereinafter in this section described, to wit:

10 All islands and lands owned by the State of Texas, many of
11 which are subject to overflow, known as Barnes Island, Alexander
12 Island, Goat Island, Diamond Island and Hog Island in San Jacinto
13 River above Lynchburg, and certain accretions formed by dredged
14 material excavated from the channel and forming land attached to or
15 near said Alexander Island, Hog Island between Goose Creek and
16 Morgan Point, Atkinson Island, and all the submerged lands lying
17 and being situated under the waters of Buffalo Bayou, San Jacinto
18 River, White Oak Bayou, Bray's Bayou, Simms Bayou, Vines Bayou,
19 Hunting Bayou, Greens Bayou, Carpenters Bayou, Old River, Lost
20 River, Goose Creek and Cedar Bayou, and all other streams within the
21 authority tributary to the Houston Ship Channel, so far up said
22 streams as the State may own same, together with all lands lying and
23 being situated under the waters of Old River, Burnett's Bay,
24 Crystal Lake, Scott's Bay, Peggy's Lake, Black Duck Bay, Tabbs Bay
25 and San Jacinto Bay, and all other tidal flats or overflow land
26 adjacent to or appurtenant to the above mentioned streams within
27 the limits above mentioned except Mitchell's Bay and any area

1 between said bay and the Houston Ship Channel, as now or hereafter
 2 located, is [~~hereby~~] granted to the authority effective June 14,
 3 1927, or its successors, for public purposes and for the
 4 development of commerce only, in accordance with the following
 5 provisions and stipulations herein contained; provided that
 6 inasmuch as it is the purpose of this section to grant said lands to
 7 the public agency which is developing the Port of Houston, upon the
 8 creation by legislation of other public agency which shall
 9 supersede the authority as the public agency developing the Port of
 10 Houston, the title to said lands shall be transferred from the
 11 authority to such public agency, either municipal or State, so
 12 provided, such public agency being referred to herein as the
 13 successors of the authority.

14 (b) The authority, or its successors, is hereby granted the
 15 right, power and authority to authorize, establish, construct,
 16 purchase, own, maintain, equip, regulate, operate and lease
 17 wharves, piers, docks, dry docks, marine ways and all other
 18 structures and appliances for facilitating or accommodating
 19 commerce or navigation, and to dredge out channels, slips and
 20 turning basins, and to fill in space between the main land and
 21 islands and to fill areas for wharves, piers, docks, dry docks,
 22 marine ways and for all other structures and appliances for
 23 facilitating and accommodating commerce and navigation, having
 24 first secured a permit from the Government of the United States of
 25 America as required by federal law [~~therefor~~], and to construct, or
 26 cause or authorize to be constructed on said wharves, piers, docks,
 27 dry docks, marine ways and other structures and appliances for

1 facilitating and accommodating commerce and navigation, or on lands
2 so filled in, any and all elevators, warehouses, bunkers, railway
3 terminals and sidetracks, or any other facilities or aids
4 whatsoever to navigation or commerce. Said lands shall be used by
5 the authority, or its successors, solely for the establishment,
6 improvement and conduct of a ~~[an]~~ harbor and ship channel and for
7 the construction, maintenance and operation ~~[thereon]~~ of any
8 facilities or aids whatsoever related to the same, and the
9 authority, or its successors, shall not at any time, grant, convey,
10 give or alien said lands or any part thereof, to any individual,
11 firm or corporation for any purpose whatsoever; provided, that the
12 authority, or its successors, may grant franchises thereon for
13 limited periods of time for wharves, and other public uses and
14 purposes, and may lease said lands and facilities or any part
15 thereof for limited periods for purposes consistent with this
16 chapter, but no wharves, piers or structures of any kind shall be
17 constructed on said lands by anyone save the authority, except
18 under a franchise or lease granted by the authority and in a manner
19 first prescribed by and approved of by the authority or its
20 successors.

21 (c) For the purpose of carrying out the provisions of this
22 section, the authority, or its successors, is hereby granted the
23 right, power and authority to abate and remove any and all
24 encroachments or structures of any kind now or hereafter existing
25 on said property, save such as may have been constructed under
26 permit from the ~~[United States War Department, or other]~~ proper
27 Federal authority, and shall have the right to bring such suit or

1 suits as may be necessary to carry out the provisions of this
2 section to the same extent and as fully and completely as the right
3 to bring such a suit or suits existed in the State prior to the
4 passage hereof.

5 SECTION 3. The heading to Section 5007.006, Special
6 District Local Laws Code, is amended to read as follows:

7 Sec. 5007.006. REVENUE OBLIGATIONS; CERTAIN POWERS; FEES
8 AND CHARGES; FACILITIES [~~GRAIN ELEVATORS~~]; TAXATION EXEMPTION;
9 REFUNDING BONDS; CERTAIN BOND PROVISIONS.

10 SECTION 4. Sections 5007.006(d), (e), (g), (j), (m), and
11 (r), Special District Local Laws Code, are amended to read as
12 follows:

13 (d) Such obligations shall not constitute an indebtedness
14 or pledge of the credit of the authority, and the holders thereof
15 shall never have the right to demand payment thereof out of any
16 funds raised or to be raised by taxation, and such obligations shall
17 contain a recital to that effect. All obligations issued hereunder
18 shall be in registered or coupon form, and if in coupon form may be
19 registerable as to principal only, or as to both principal and
20 interest, shall bear interest at a rate not to exceed the amount
21 allowed by law, payable annually or semiannually, and shall be in
22 such denominations and shall mature serially or at one time not more
23 than forty (40) years from their date in such manner as may be
24 provided by the port commission. Principal of and interest on such
25 obligations shall be made payable at any place or places within or
26 without the State of Texas, and in the discretion of the port
27 commission such obligations may be made callable and/or refundable

1 at the option of the port commission prior to maturity at such
 2 premium or premiums as the port commission shall determine. Such
 3 obligations shall be signed by the manual or facsimile signatures
 4 of the chair of the port commission [~~Chairman~~] and the executive
 5 director [~~of the port commission~~] as may be provided in the
 6 proceedings authorizing said obligations, and the interest coupons
 7 attached thereto may also be executed by the facsimile signatures
 8 of such officers. Such obligations shall be sold in such manner and
 9 at such times as the port commission shall determine to be expedient
 10 and necessary to the interests of the authority, provided, that in
 11 no event shall such obligations be sold for a price which will
 12 result in an interest yield therefrom of more than the amount
 13 allowed by law computed to maturity according to standard bond
 14 tables in general use by banks and insurance companies. Any premium
 15 or premiums provided for the call or refunding of any bonds issued
 16 pursuant to this Section shall not be included in the computation of
 17 the maximum interest yield on such bonds. In the event of the
 18 officers whose signatures are on such obligations or coupons shall
 19 cease to be such officers before the delivery of such obligations to
 20 the purchaser, such signature or signatures, nevertheless, shall be
 21 valid and sufficient for all purposes. All obligations issued
 22 hereunder shall constitute negotiable instruments under Chapter 3,
 23 Business & Commerce Code.

24 (e) Any obligations issued hereunder may be issued payable
 25 from and secured by the pledge of all the revenues derived from the
 26 operation of the improvements and facilities of the authority,
 27 exclusive of any revenues derived from taxation or assessments, or

1 may be payable from and secured by the pledge of only such revenues
2 as may be derived from the operation of the improvements and
3 facilities acquired or improved with the proceeds of the sale of
4 such obligations, or may be payable from and secured by the pledge
5 of a specified part of the revenues derived from the operation of
6 the improvements and facilities of the authority, all as may be
7 provided in the proceedings authorizing the issuance of such
8 obligations.

9 (g) The authority may adopt plans for the construction or
10 refinancing of a facility [~~grain elevator or elevators~~], to be paid
11 for by the issuance and sale of obligations payable from and secured
12 by a pledge of revenues to be derived from the operation of the
13 facility [~~said grain elevator~~] and further secured by a trust
14 indenture, or by a deed of trust on the physical properties of such
15 improvement; and during the time any such improvement is encumbered
16 by the pledge of such revenues and the lien upon its physical
17 properties, in the proceedings authorizing the bonds or the
18 indenture, may vest its management and control in a Board of
19 Trustees, to be named in such resolution or indenture, consisting
20 of not less than five (5) nor more than nine (9) members. The
21 compensation of the members of such Board of Trustees shall be fixed
22 by such resolution or indenture, but shall never exceed one percent
23 (1%) of the gross receipts of such improvement in any one (1) year.
24 The terms of office of the members of such Board of Trustees, their
25 powers and duties, including the power to fix fees and charges for
26 the use of such improvements, and the manner of exercising same, the
27 manner of the selection of their successors, and all matters

1 pertaining to their duties and the organization of such Board of
2 Trustees shall be specified in such resolution or indenture. Any
3 such Board of Trustees may adopt bylaws regulating the procedure of
4 the Board and fixing the duties of its officers, but the bylaws
5 shall not contain any provision in conflict with the covenants and
6 provisions contained in the resolution authorizing the bonds or the
7 indenture. In all matters wherein the resolution or indenture are
8 silent as to the powers, duties, obligations and procedure of the
9 Board, the laws and rules governing the port commission shall
10 control the Board of Trustees in so far as applicable. The Board
11 may be created by the resolution or indenture, and in that event
12 shall have all or any of the powers and authority which could be
13 exercised by the port commission in so far as the management and
14 operation of any such improvement is concerned. By the terms of any
15 such resolution or indenture the port commission may make provision
16 for later supplementing such resolution or indenture so as to vest
17 the management and control of the facility [~~such grain elevator~~] in
18 a Board of Trustees having the powers, rights and duties herein
19 conferred or imposed.

20 (j) As additional security for the payment of any
21 obligations issued hereunder, the port commission may in its
22 discretion have executed in favor of the holders of such
23 obligations an indenture or deed of trust mortgaging and
24 encumbering all or any part of the physical properties comprising
25 the improvements and facilities the net revenues of which are
26 pledged to the payment of such obligations, including the lands
27 upon which said improvements and facilities are located, and may

1 provide in such mortgage or encumbrance for a grant to any purchaser
2 or purchasers at foreclosure sale thereunder of a franchise or
3 lease to operate such improvements, facilities and properties for a
4 term of not over fifty (50) years from the date of such purchase,
5 subject to all laws regulating same then in force. Any such
6 indenture or deed of trust may contain such terms and provisions as
7 the port commission shall deem proper and shall be enforceable in
8 the manner provided by the laws of Texas for the enforcement of
9 other mortgages and encumbrances. Under any such sale ordered
10 pursuant to the provisions of such mortgage or encumbrance, the
11 purchaser or purchasers at such sale, and his or their successors or
12 assigns, shall be vested with a permit or franchise conforming to
13 the provisions stipulated in the indenture or deed of trust to
14 maintain and operate the improvements, facilities and properties
15 purchased at such sale with like powers and privileges as may
16 theretofore have been enjoyed by the authority in the operation of
17 said improvements, facilities and properties. The purchaser or
18 purchasers of such improvements, facilities and properties at any
19 such sale, and his or their successors and assigns, may operate said
20 improvements, facilities and properties as provided in the last
21 above sentence or may at their option remove all or any part or
22 parts of said improvements, facilities and properties for diversion
23 to other purposes. The provisions of [~~Sections 61.164, 61.165, and~~
24 ~~61.168, Water Code, and Chapter 134, Acts 1935, 44th Legislature,~~
25 ~~Regular Session, as amended, and~~] any statute not included in this
26 chapter that relates [~~other Statutes relating~~] to the authorization
27 or execution of mortgages and encumbrances or the granting of

1 franchises or leases shall not be applicable to the authorization
2 or execution of any mortgage or encumbrance entered into pursuant
3 to the provisions of this chapter, nor to the granting of any
4 franchise or lease hereunder. Any obligations issued pursuant to
5 the provisions of this chapter and additionally secured by an
6 indenture or deed of trust as provided by this subsection, whether
7 such obligations are notes or certificates of indebtedness or
8 otherwise, and the record relating to their issuance, may, at the
9 option of the port commission, be submitted to the Attorney General
10 of Texas for his examination and approval, as in the case of bonds,
11 and after the Attorney General has approved the same, such
12 obligations shall be registered by the Comptroller of Public
13 Accounts of Texas; and after such obligations have been approved by
14 the Attorney General and registered by the Comptroller, they shall
15 thereafter be incontestable for any cause except for forgery or
16 fraud.

17 (m) The authority, in addition to the other powers
18 hereinabove set out, shall have general power and authority to make
19 and enter into all contracts, leases and agreements necessary or
20 convenient to the carrying out of any of the powers granted in this
21 chapter, which contracts, leases or agreements may be entered into
22 with any person, real or artificial, any corporation, municipal,
23 public or private, and the government or governmental agency,
24 including those of the United States and the State of Texas. Except
25 as provided by Chapter 60, Water Code, any [~~Any and all~~] contracts,
26 leases or agreements entered into pursuant hereto shall be approved
27 by action [~~resolution or order~~] of the port commission, and shall be

executed by the chair of the port commission [Chairman] and
attested by the executive director [~~thereof~~].

(r) This Section, without reference to other Statutes of the
State of Texas, shall constitute full authority for the
authorization and issuance of obligations hereunder and for the
accomplishment of all things herein authorized to be done, and no
proceedings relating to the authorization or issuance of such
obligations or the doing of such things shall be necessary except
such as are herein required, and no [~~neither the Bond and Warrant
Law of 1931 or any other~~] provisions of the Laws of the State of
Texas[~~7~~] pertinent to the authorization or issuance of obligations,
the operation and maintenance of ports, canals and waterways, the
granting of franchise, permits, or leases, the right to elections
or referendum petitions, shall in anywise impede or restrict the
carrying out of the acts authorized to be done hereunder or acts
done pursuant hereto.

SECTION 5. Sections 5007.007(a-1), (n), (o), (p), and (q),
Special District Local Laws Code, are amended to read as follows:

(a-1) The authority is empowered and authorized to
exercise, in addition to all powers conferred by this section, all
powers conferred upon the authority by the law or laws under which
it was organized, and, in addition, shall have all of the powers and
jurisdiction conferred upon Districts originally organized under
Article XVI, Section 59, of the Constitution of the State of Texas,
including [~~and particularly~~] Subchapters B, H, and K, Chapter 60,
Water Code, and Sections 60.034 through 60.042, 61.075, 61.076,
61.082, 61.112, 61.115 through 61.117, 61.151 through 61.168,

1 61.172 through 61.174, and 61.176, Water Code, as amended, and
 2 Articles 8248, 8249, 8250, 8251, 8252, 8253, 8254, 8255, 8256,
 3 8257, and 8258, Revised Civil Statutes of Texas, 1925, as amended,
 4 as well as Chapter 6, Acts, 1941, Forty-seventh Legislature, Page
 5 8, as amended; Chapter 176, Acts, 1955, Fifty-fourth Legislature,
 6 Page 554; Chapter 217, Acts, 1949, Fifty-first Legislature, Page
 7 407; provided, that if there is any conflict or inconsistency
 8 between said laws or any of them, and this chapter, then to the
 9 extent of conflict or inconsistency, the provisions of this chapter
 10 shall govern.

11 (n) The port commission shall provide all necessary
 12 additional books for the use of the tax assessor-collector
 13 [~~Assessor and Collector of taxes~~] and the Clerk of the
 14 Commissioners Court of Harris County, Texas. The tax
 15 assessor-collector [~~Tax Assessor~~] of [~~said~~] Harris County shall be
 16 charged with the assessment of all property for taxation within the
 17 authority and when ordered to do so by the Commissioners Court of
 18 Harris County shall assess all property within the authority and
 19 list the same for taxation in the books or rolls furnished the tax
 20 assessor-collector [~~him~~] for said purposes, and return said books
 21 or rolls at the same time when the tax assessor-collector [~~he~~]
 22 returns the other books or rolls of the State and County Taxes for
 23 correction and approval to the Commissioners Court of said County,
 24 and if said Court shall find said books or rolls correct they shall
 25 approve the same, and in all matters pertaining to the assessment of
 26 property for taxation in the authority, the tax assessor-collector
 27 [~~Tax Assessor~~] and appraisal review board [~~Board of Equalization~~]

1 of said County shall be authorized to act and shall be governed by
2 the laws of Texas for assessing and equalizing property for State
3 and County Taxes, except as herein provided. All taxes authorized
4 to be levied by this chapter shall be a lien upon the property upon
5 which said taxes are assessed, and said taxes may be paid and shall
6 mature and be paid at the time provided by the laws of this State for
7 the payment of State and County Taxes; and all the penalties
8 provided by the laws of this State for the nonpayment of State and
9 County Taxes shall apply to all taxes authorized to be levied by
10 this chapter. The tax assessor-collector [~~Tax Collector~~] of Harris
11 County shall be charged with the assessment rolls of the authority,
12 and is required to make collection of all taxes levied and assessed
13 against the property in said County and promptly pay over the same
14 to the Treasurer of the authority. The tax assessor-collector [~~Tax~~
15 ~~Assessor-Collector~~] shall receive compensation for [~~such~~] services
16 [~~such compensation as the port commission and said Commissioners~~
17 ~~Court shall agree upon,~~] and such compensation shall be paid as
18 provided by law [~~to the Officers' Salary Fund of the County~~]. The
19 bond of the tax assessor-collector [~~such Assessor-Collector~~] shall
20 stand as security for the proper performance of the [~~his~~] duties as
21 tax assessor-collector [~~Tax Assessor-Collector~~] of the authority;
22 or, if in the judgment of the port commission it be necessary, an
23 additional bond payable to the authority may be required, and in all
24 matters pertaining to the collection of taxes levied under the
25 provisions of this chapter, the tax assessor-collector [~~Tax~~
26 ~~Collector~~] shall be authorized to act and shall be governed by the
27 laws of the State of Texas for the collection of State and County

1 Taxes, except as herein provided; and suits may be brought for the
 2 collection of said taxes and the enforcement of the tax liens
 3 created by this chapter. It shall be the duty of the tax
 4 assessor-collector [~~Tax Collector~~] to make a certified list of all
 5 delinquent property upon which the navigation tax has not been
 6 paid, and return the same to the County Commissioners Court, which
 7 shall proceed to have the same collected by the sale of such
 8 delinquent property in the same manner, both by suit and otherwise,
 9 as now or may be provided for the sale of property for the
 10 collection of State and County Taxes; and, at the sale of any
 11 property for any delinquent tax, the port commission may become the
 12 purchasers of the same for the benefit of the authority. Should the
 13 tax assessor-collector [~~said Tax Assessor and Collector~~] fail or
 14 refuse to comply with the order of said Commissioners Court
 15 requiring the tax assessor-collector [~~him~~] to assess and list for
 16 taxation all the property in the authority, or fail or refuse to
 17 give such additional bond or security as herein provided, the tax
 18 assessor-collector [~~he~~] shall be suspended from further discharge
 19 of the tax assessor-collector's [~~his~~] duties by the Commissioners
 20 Court of said County, and the tax assessor-collector [~~he~~] shall be
 21 removed from office in the mode prescribed by law for the removal of
 22 county officers.

23 (o) The County Treasurer of Harris County shall be treasurer
 24 of the authority, and it shall be his duty to open an account of all
 25 moneys received by the treasurer [~~him~~] belonging to the authority
 26 and all amounts paid out by the treasurer [~~him~~]. The treasurer [~~He~~]
 27 shall deposit the funds of the authority in such depository or

1 depositories as may be designated by the port commission in the
2 manner provided by law ~~[for the selection of a county depository,~~
3 ~~and such depository so selected shall be the depository of the~~
4 ~~authority for a period of two (2) years and until its successor is~~
5 ~~selected and qualified]~~. Should the port commission fail or refuse
6 to select a depository such depository shall be selected in like
7 manner by the Commissioners Court. ~~[The depository of the authority~~
8 ~~on April 29, 1957, shall continue to be the depository of the~~
9 ~~authority until its successor is selected and qualified as herein~~
10 ~~provided.]~~ The treasurer ~~[He]~~ shall pay out no money except upon the
11 conditions provided for in this chapter and under other law~~[r]~~ and
12 ~~[he]~~ shall carefully preserve on file all orders for the payment of
13 money; and, as often as required by the said Commissioners Court,
14 ~~[he]~~ shall render a correct account to them of all matters
15 pertaining to the financial condition of the authority. The County
16 Treasurer shall execute a good and sufficient bond, payable to the
17 ~~[port commissioners and to their successors in office for the~~
18 ~~benefit of the]~~ authority in an amount to be fixed by the port
19 commission, such bond to be conditioned for the faithful
20 performance of the ~~[his]~~ duties as treasurer of the authority and to
21 be approved by the port commission; provided whenever any bonds are
22 issued by the authority, the County Treasurer before receiving the
23 proceeds of sale thereof shall execute additional good and
24 sufficient bond payable to the port commission in an amount to be
25 fixed by the port commission, which bond shall likewise be
26 conditioned and approved as aforesaid, but such additional bond
27 shall not be required after such Treasurer shall have properly

disbursed the proceeds of such bond issue; and the County Treasurer shall be allowed such compensation for ~~[his]~~ services performed as treasurer of the authority as may be determined by the port commission~~[, and such compensation shall be paid to the Officers' Salary Fund of the County]~~.

(p) The authority shall acquire, purchase, lease, maintain, repair and operate facilities and equipment for preventing, detecting, controlling and fighting fires on or adjacent to the waterways, channels and turning basins within its jurisdiction, including the Houston Ship Channel, which extends into the Gulf of Mexico, and for the protection of life and property from damage by fire and explosion. The authority shall promulgate and enforce ordinances, rules and regulations for the promotion of the safety of life and property on or adjacent to the waterways, channels and turning basins within its jurisdiction, including the Houston Ship Channel, which extends into the Gulf of Mexico, from damages by fire and explosion thereon in the manner provided by Subchapter D, Chapter 60, Water Code. The powers and functions herein authorized may be exercised both within and without the corporate limits of any city, town or village situated within the boundaries of the authority. This chapter shall be cumulative of all other laws on the subject but in the event of conflict between this chapter and any law of this state or any charter provision or ordinance of any such city, town or village relating to the subject matter of this chapter, the provisions of this chapter shall control.

(q) The authority is authorized to acquire, purchase, construct, enlarge, extend, repair, maintain, operate, or develop

1 traffic control facilities and everything appurtenant thereto,
2 together with all other facilities or aids incident to or useful in
3 the operation or development of the ~~[authority's]~~ ports and
4 waterways within the authority's jurisdiction, including the
5 Houston Ship Channel, which extends into the Gulf of Mexico, or in
6 aid of navigation and commerce thereon.~~[The traffic control~~
7 ~~facilities shall be financed out of available revenue and shall not~~
8 ~~utilize bond revenue funds.]~~

9 SECTION 6. Section [5007.010](#), Special District Local Laws
10 Code, is amended to read as follows:

11 Sec. 5007.010. NAME AND TITLE CHANGES. (a) Effective
12 August 30, 1971, the ~~[The]~~ name of the Harris County Houston Ship
13 Channel Navigation District of Harris County, Texas, is changed to
14 the Port of Houston Authority of Harris County, Texas.

15 (b) Effective August 30, 1971, the ~~[The]~~ name of the Board
16 of Navigation and the Canal Commissioners of the authority is
17 changed to the port commission, and the title of each member is port
18 commissioner.

19 (c) Effective August 30, 1971, the ~~[The]~~ title of general
20 manager of the authority is changed to executive director.

21 SECTION 7. Subchapter B, Chapter 5007, Special District
22 Local Laws Code, is amended by adding Section 5007.2065 to read as
23 follows:

24 Sec. 5007.2065. SERVICE ON FREIGHT RAIL DISTRICT BOARD.
25 The chair of the port commission may designate an officer or
26 employee of the authority to serve on behalf of the chair as a
27 director of a freight rail district created under Section [171.052](#),

1 Transportation Code.

2 SECTION 8. Section 5007.218, Special District Local Laws
3 Code, is amended to read as follows:

4 Sec. 5007.218. EXPENSE POLICY. The port commission shall
5 adopt an expense policy that includes:

6 (1) spending guidelines for meals, lodging, and
7 entertainment, including a process for handling and documenting
8 exceptions to the guidelines if business needs require an
9 exception;

10 (2) clear expense report protocols, including:

11 (A) the use of cash advances;

12 (B) the separation of reports from port
13 commissioners and authority employees; and

14 (C) clear lines of accountability for the
15 submission of reports; and

16 (3) a prohibition on the use of authority funds for a
17 meal for a port commissioner or an authority employee that is not
18 part of:

19 (A) approved travel for authority business;

20 (B) ~~[or part of]~~ a ceremonial or business-related
21 function with outside parties;

22 (C) an employee training program; or

23 (D) an event with the purpose of employee
24 recognition, seasonal celebration, or building morale.

25 SECTION 9. Subchapter B, Chapter 5007, Special District
26 Local Laws Code, is amended by adding Section 5007.229 to read as
27 follows:

1 Sec. 5007.229. NOTICE OF MEETINGS. Section 551.054(b),
2 Government Code, does not apply to the authority.

3 SECTION 10. This Act takes effect immediately if it
4 receives a vote of two-thirds of all the members elected to each
5 house, as provided by Section 39, Article III, Texas Constitution.
6 If this Act does not receive the vote necessary for immediate
7 effect, this Act takes effect September 1, 2015.