

- SUBJECT:** Authorizing Harris County ship channel security district
- COMMITTEE:** County Affairs — committee substitute recommended
- VOTE:** 7 ayes — W. Smith, Naishtat, Bolton, Coleman, Farabee, Harless, Leibowitz
- 0 nays
- 2 absent — Heflin, T. Smith
- WITNESSES:** For — Doug Adkinson, Harris County Judge Ed Emmett; Patrick A. Bellany, Port Strategic Security Council (PSSC); Scott Forbes, Port of Houston Authority; Chris Hext, East Harris County Manufacturers Association (EHCMA); (*Registered, but did not testify:* Jim Edmonds, Port of Houston Authority; Sylvia R. Garcia, Harris County; Cathy Sisk, Harris County)
- Against — None
- On — Christina Wisdom, Texas Chemical Council
- BACKGROUND:** Water Code, ch. 49 establishes rules for general law districts and authorities. A chapter 49 district requires a public election to be created and to elect members of the board, has taxing authority, has condemnation and eminent domain powers, and may use funds for recreational facilities.
- 46 U.S.C., sec. 70101 defines “facility” as any structure of any kind located in, on, under, or adjacent to any waters subject to the jurisdiction of the United States.
- The Port Strategic Security Council (PSSC) was started as a public-private group to address security concerns for the region of the Houston Ship Channel.
- DIGEST:** CSHB 3011 would create a ship channel security district that would include various industries and governmental entities with the public purpose of promoting social welfare by assisting with the operations and maintenance of security infrastructure.

To create a ship channel security district, the bill would require:

- the district to be in a county with a population of 3.3 million or more (Harris County);
- the commissioners court to receive a petition in favor of such a district signed by the owners representing the majority of the facilities and the majority of the assessed value of the facilities;
- the petition submitted to include a name for the district, describe the projects and security services, and establish the territory and boundaries of at least four security zones within the district; and
- the commissioners' court to post and hold a public hearing to determine if the district would be in the public's best interest

The bill would not apply to residential properties, public access properties, or a retail or service business that was not a facility as defined by 46 U.S.C., sec. 70101.

The county commissioners could approve, in coordination with the regional council of government and the port authority, the appointment of a board of directors and security zone directors. The bill would establish general operational rules for the security district, including staggered terms, meetings, board vacancies, and removals.

The security district would have all the powers of a municipal district and also would establish general powers and duties, including rules adoption, name changes, contracting, leasing, constructing, determining projects and services to operate and maintain, property rights, lawsuits, exemptions from competitive bidding, the ability to apply for loans and grants, and accounting.

The security district could assess a fee against facilities for any district purpose if a public hearing were held with 30 days' notice to all the facility owners by certified mail. The board could adjust the rate of assessment by a simple majority. The board also could consider objections or appeals to assessments, establish payment plans, impose a lien or penalties against facilities in default, collect attorneys' fees, and return excess fees.

The security district would not have eminent domain powers, taxing authority, bond authority, or the ability to assess fees from government or non-profit entities.

The security district would be dissolved if it had not imposed an assessment within five years of its creation, or by a vote of the board of directors, or by an owner petition. At that time, all debts or assets would be assumed by the county commissioners court.

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, 2007.

**SUPPORTERS
SAY:**

CSHB 3011 would allow for the creation of a Ship Channel Security District that would be a public-private partnership to help improve security within the Houston Ship Channel area. After meetings with officials from the U.S. Department of Homeland Security, Harris County, and the Port of Houston Authority, the private petrochemical, chemical, and refinery facilities near the Houston Ship Channel recognized that the best security for the region was not a facility-by-facility security implementation but a system-wide security approach. The Port Strategic Security Council (PSSC) worked with port security experts to develop a list of projects to improve security in the Houston Ship Channel area. Recognizing that a mechanism was needed to allow the county, the facilities, and others equitably to pay for the local share of grants and for operating and maintaining the security projects, the PSSC decided the best means to collect the funds could be modeled after city management districts. The bill would establish the mechanism to implement the ship channel security plan.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The committee substitute would allow the commissioners court that created the district to apply the bill to any other facility; added two appointed directors for each security zone that would have to be employed by facilities within the zone; removed the ability of the district to assess impact fees or interest on installment payments; allowed the board to adjust the assessment rate with notice, a hearing, and a majority vote; and

allowed the board to make a new assessment of a facility if the original assessment were set aside by court order.

The companion bill, SB 1474 by Jackson, was scheduled for a public hearing at the Senate Natural Resources Committee but was withdrawn on April 19.