

SUBJECT: Exempting a navigation district from taxation

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 9 ayes — D. Bonnen, Bohac, Darby, E. Johnson, Murphy, Murr, Shine, Springer, Stephenson

0 nays

2 absent — Y. Davis, Raymond

SENATE VOTE: On final passage, April 26 — 31-0, on Local and Uncontested Calendar

WITNESSES: *On House companion bill, HB 2591:*
For — Jimmy Welder, Port of Corpus Christi Authority; (*Registered, but did not testify:* Ron Lewis, Port of Beaumont; Spencer Chambers, Texas Ports Association)

Against — None

BACKGROUND: Texas Constitution, Art. 3, sec. 52 allows a political subdivision, under legislative provision and upon a two-thirds majority vote of a defined district, to levy and collect taxes and to issue bonds for certain purposes, such as the maintenance of waterways for navigation. A navigation district also may be established under Art. 16, sec. 59 of the Constitution. Water Code, ch. 60 governs navigation districts.

Tax Code, sec. 11.11 exempts property owned by a political subdivision of the state from taxation if it is used for public purposes.

DIGEST: SB 1133 would designate the property of a navigation district as public property used for essential public and government purposes and would exempt navigation districts from all taxes and special assessments imposed by the state or a political subdivision.

This bill would take immediate effect if finally passed by a two-thirds

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record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.

NOTES: SB 1133, considered in lieu of a companion bill, HB 2591 by Herrero, was approved by the House on May 11.