

SUBJECT: Expanding access to the Ship Channel Improvement Revolving Fund

COMMITTEE: Transportation — favorable, without amendment

VOTE: 11 ayes — Canales, Y. Davis, Goldman, Hefner, Krause, Leman, Martinez, Ortega, Raney, Thierry, E. Thompson

0 nays

1 absent — Landgraf

1 present not voting — Bernal

SENATE VOTE: On final passage, April 11 — 31-0, on Local and Uncontested Calendar

WITNESSES: *On House companion bill, HB 1774:*
For — Rodger Rees, Port of Galveston; (*Registered, but did not testify:* Sally Bakko, City of Galveston; Michael Warner, Port of Galveston; JJ Rocha, Texas Municipal League)

Against — None

BACKGROUND: Transportation Code ch. 56 governs the Ship Channel Improvement Revolving Fund, a general revenue account administered by the Texas Transportation Commission. Sec. 56.003 requires the commission to establish a revolving loan program to use money from the fund to finance qualified projects for navigation districts. To qualify for the loan program, a project must deepen or widen a ship channel, be authorized by the U.S. Congress, and meet other commission standards.

Ch. 54 governs certain harbor and port facilities and applies only to a city that is located on the Gulf of Mexico or a channel, canal, bay, or inlet of the gulf and has a population of more than 5,000.

Interested parties contend that ports that are not navigation districts, such as the Port of Galveston, should be able to access the ship channel

improvement revolving loan program.

DIGEST: SB 1040 would expand qualified projects that could access loans from the Ship Channel Improvement Revolving Fund to include projects of cities or boards of trustees under Transportation Code ch. 54, which governs harbor and port facilities in certain cities.

The bill would take effect September 1, 2019.