1-1 By: Nichols S.B. No. 1500 (In the Senate - Filed March 2, 2023; March 16, 2023, read time and referred to Committee on Transportation; 1-2 1-3 first March 22, 2023, reported favorably by the following vote: Yeas 9, 1-4 Nays 0; March 22, 2023, sent to printer.)

1-6 COMMITTEE VOTE

1-7		Yea	Nay	Absent	PNV
1-8	Nichols	X			
1-9	West	Х			
1-10	Alvarado	X			
1-11	Eckhardt	X			
1-12	Hancock	X			
1-13	King	X			
1-14	Miles	X			
1-15	Parker	X			
1-16	Perry	X			

1-17 A BILL TO BE ENTITLED 1-18 AN ACT

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relating to powers and duties of navigation districts and the boards of trustees of municipal port facilities.

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

SECTION 1. Section 60.403, Water Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A port commission, an authorized designated officer of the port commission, the executive director of the district or the port authority, or an authorized representative of the executive director may make routine purchases or contracts in an amount not to exceed \$50,000, provided that a port commission may delegate authority to an authorized designated officer of commission, the executive director of the district or the <u>po</u>rt authority, of an authorized representative Οľ the executive director to make routine purchases or contracts in an amount not to exceed \$100,000.

SECTION 2. Section 60.4035(a), Water Code, is amended to read as follows:

- Notwithstanding the competitive bidding requirements (a) and proposal procedures of this subchapter and Subchapter O and the requirements of Sections 60.408(a), (b), (c), (d), and (e), the executive director of a district or an officer of a district authorized in writing by the port commission may make emergency purchases or contracts or emergency amendments to existing purchase orders or contracts in an amount that exceeds the amount authorized under Section 60.403(a) for routine purchases or contracts necessary:
- (1)to preserve or protect the public health and safety of the residents of the district;
- (2) to preserve the property of the district in the case of a public calamity;
- (3) to repair unforeseen damage to the property of the district; [or]
 - (4)to respond to security directives issued by:
- (A) the federal Department of Homeland Security, including the Transportation Security Administration;
 - (B) the United States Coast Guard;
- 1-56 the federal Department of Transportation, (C) 1-57 1-58
 - including the Maritime Administration; or (D) another federal or state agency responsible for domestic security; or
- (5) to respond to an emergency related to (A) supply chain disruptions or shortages or (B) other disruptions or 1-60 1-61

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S.B. No. 1500
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stoppages of the operations of the district, which does not permit the delay incident to the competitive process, or undue cost, without harm to the welfare of the district.

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SECTION 3. Section 60.412(a), Water Code, is amended to read as follows:

- (a) A contract for a purchase is exempt from the competitive bidding requirements and proposal procedures of this subchapter and Subchapter O if a contract is for the purchase of:
- (1) an item that must be purchased in a case of public calamity if it is necessary to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the district or port authority;
- (2) an item necessary to preserve or protect the public health or the safety of the residents of the district or port authority;
- (3)an item made necessary by unforeseen damage to the property of the district or port authority;
 - (4)a personal or professional service;
- (5) any work performed and paid for by the day as the work progresses;
 - any land or right-of-way; (6)
- (7)an item that can be obtained only from one source, including:
- (A) items for which competition is precluded because of the existence of patents, copyrights, secret processes, or natural monopolies;
 - (B) films, manuscripts, or books;
 - (C) public utility services; and
 - (D) captive replacement parts or components for
- equipment; (8) any item necessary to secure a district or port authority during a period of heightened security as determined by:
- (A) the federal Department of Homeland Security, including the Transportation Security Administration;
 - the United States Coast Guard; (B)
- the United States Bureau of Customs and (C) Border Protection;
 - (D) the Federal Bureau of Investigation;
- the federal Department of Transportation, (E) including the Maritime Administration; or
 - (F) another federal, state, or local agency; $[\frac{or}{c}]$ an item from the United States, including any (9)
- agency thereof, or from this state, including an agency of this state; or
- (10) to respond to an emergency related to (A) supply chain disruptions or shortages or (B) other disruptions or stoppages of the operations of the district, which does not permit the delay incident to the competitive process, or undue cost,
- without harm to the welfare of the district.

 SECTION 4. Subchapter Q, Chapter 60, Water Code, is amended by adding Sections 60.503 and 60.504 to read as follows:
 - Sec. 60.503. COMMUNITY PROGRAMS. (a) In this section:
- "Historically underutilized business" (1)
- meaning assigned by Section 2161.001, Government Code.

 (2) "Local business" means a business concern with a principal place of business in the local area of a district, as determined by the port commission.
- Small business" (3) has the meaning assigned by Section 5.135(g).
- To stimulate business and commercial activity within a a district may develop and administer a program to: (b) district,
- (1) develop small businesses or historically underutilized businesses;
 - (2) promote or advertise the district; or
- businesses, improve the extent to which local small businesses, and other historically underutilized businesses are awarded district contracts.
- (c) To develop or administer a program under this section, a 2-68 2-69 district may:

contract with another entity;

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use district funds or employees; and (2)

accept contributions, gifts, or other resources.

(d) A program established under this section may set contract percentage goals for participation by local businesses, small businesses, and historically underutilized businesses in public contract awards by the district.

Sec. 60.504. RIGHT TO REJECT ALL BIDS. A district that requests bids or proposals under any of the methods provided by this chapter may reject any and all bids or proposals submitted.

SECTION 5. Section 62.106(e), Water Code, is amended to

read as follows:

(e) A district created under this chapter may elect to take advantage of the condemnation procedure provided in Chapter 21,

Property Code [Subchapter F of Chapter 51 of this code].

SECTION 6. Section 62.120(a), Water Code, is amended to read as follows:

(a) A district may enter into operating contracts and leases with cities and other governmental subdivisions for the operation of the portions of the district's water system which are designated by the board or the commission.

SECTION 7. Section 62.122, Water Code, is amended to read as follows:

Sec. 62.122. DISPOSITION OF SALVAGE OR SURPLUS PERSONAL PROPERTY. (a) Except as provided by Subsection (b), the commission or board of trustees under Chapter 54, Transportation Code, may periodically dispose of surplus or salvage personal property in the same manner as the commissioners court of a county under Subchapter D, Chapter 263, Local Government Code.

The commission or board of trustees under Chapter 54, (b) Transportation Code, may authorize:

(1) the destruction or disposition of salvage surplus property as worthless if the property is so worn, damaged, or obsolete that it has no value for the purpose for which it was originally intended, and the expense to the district to attempt to sell the property would be more than the proceeds from the sale; and

(2) the sale of its dredge material from a dredge material placement area to any person on such terms and conditions as the commission or board of trustees considers appropriate or advantageous to the district, following any required action by the U.S. Army Corps of Engineers.

SECTION 8. This Act takes effect immediately if it receives

a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

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