

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 5. TRANSPORTATION

SUBTITLE A. NAVIGATION DISTRICTS AND PORT AUTHORITIES

CHAPTER 5012. SABINE PASS PORT AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5012.0001. DEFINITIONS. In this chapter:

(1) "Authority" means the Sabine Pass Port Authority.

(2) "Commission" means the authority's port commission.

(3) "Commissioner" means a commission member.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0002. LEGISLATIVE FINDINGS OF PURPOSE AND BENEFIT. (a) The authority is a port district essential to accomplish the purposes of Section [59](#), Article XVI, Texas Constitution.

(b) All territory in the authority benefits from the authority's improvements, works, and facilities.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0003. AUTHORITY TERRITORY. The authority is composed of the territory in Jefferson County described by Section 1, Chapter 379, Acts of the 63rd Legislature, Regular Session, 1973, as that territory may have been modified under:

(1) Subchapter [H](#), Chapter [62](#), Water Code; or

(2) other law.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 915 (H.B. [3607](#)), Sec. 18.001, eff. September 1, 2021.

SUBCHAPTER B. AUTHORITY ADMINISTRATION

Sec. 5012.0051. COMMISSION; TERMS; ELECTION. (a) The authority is governed by a commission composed of five elected commissioners.

(b) Commissioners serve staggered two-year terms, with two commissioners elected in each even-numbered year and three commissioners elected in each odd-numbered year.

(c) The commission:

(1) is the authority's governing body; and

(2) has the powers conferred on navigation and canal commissioners of navigation districts and the commissioners court by the Water Code.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0052. QUALIFICATIONS FOR OFFICE. Each commissioner must:

(1) be a resident of the authority;

(2) own taxable property in the authority; and

(3) be a qualified voter.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0053. NOTICE OF COMMISSIONERS' ELECTION. Notice of a commissioner's election shall be given by publishing notice once each week for two consecutive weeks in a newspaper with general circulation in the authority, with the first publication being made not earlier than the 60th day before the date of the election, and not later than the 21st day before the date of the election.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0054. ELECTION RESULTS. As soon as practicable after each election held by the authority, the commission shall declare the results of the election.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01,

eff. April 1, 2021.

Sec. 5012.0055. COMMISSIONERS' OATH AND BOND. (a) Each commissioner shall:

(1) take an oath of office that contains the applicable provisions provided by law for members of the commissioners court; and

(2) execute a bond for \$10,000 payable to the authority, conditioned on the faithful performance of the commissioner's duties as a commissioner.

(b) A commissioner's bond must be approved by the commission.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0056. VOTING REQUIREMENT. The concurrence of a majority of the commissioners present at a meeting where a quorum is present is sufficient in any matter relating to authority business. Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0057. OFFICERS. (a) As soon as practicable after each election of commissioners, the commission shall elect one commissioner presiding officer and one commissioner secretary.

(b) The presiding officer shall preside at commission meetings.

(c) The secretary shall be responsible for maintaining and preserving the minutes, records, and other documents of the authority.

(d) The commission may select other officers and prescribe their duties.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0058. COMPENSATION OF COMMISSIONERS; EXPENSES. (a) Unless otherwise provided, each commissioner is entitled to receive a fee of not more than \$50 a day for each day of service

necessary to discharge the duties of a commissioner.

(b) Each commissioner is entitled to reimbursement for actual expenses incurred on behalf of the authority and approved by the commission.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 5012.0101. GENERAL POWERS. The authority may exercise:

(1) the rights, privileges, and functions provided by this chapter; and

(2) all powers, rights, privileges, and functions conferred by Chapters [60](#) and [62](#), Water Code.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0102. POWERS REGARDING PORTS, WATERWAYS, AND FACILITIES. The authority may:

(1) acquire, take over, construct, maintain, repair, operate, develop, and regulate wharves, docks, warehouses, grain elevators, ship repair facilities, belt railways, lands, and all other facilities or aids consistent with or necessary for the operation or development of ports, waterways, or maritime commerce inside or outside the authority's boundaries; and

(2) construct, extend, improve, repair, maintain, reconstruct, own, use, and operate any facility necessary or convenient to the exercise of such powers, rights, privileges, and functions granted by this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0103. BYLAWS AND RULES. The authority may adopt bylaws and rules for the management and regulation of its affairs.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0104. GIFT OR PURCHASE OF PROPERTY. The authority by gift or purchase may acquire any property or any interest in property that is:

- (1) inside or outside the authority's boundaries; and
- (2) necessary or convenient to exercising a power, right, privilege, or function conferred on the authority by this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0105. EMINENT DOMAIN. (a) To exercise a power provided by law, the authority may exercise the power of eminent domain to acquire any property and any interest in property inside the authority's boundaries. The authority must exercise the power of eminent domain in the manner provided by Chapter [21](#), Property Code.

(b) The authority is a municipal corporation for the purposes of Section [21.021](#), Property Code.

(c) The authority is not required to give bond for appeal or bond for costs in any judicial proceeding related to the authority's exercise of eminent domain.

(d) The authority's authority to exercise the power of eminent domain expired on September 1, 2013, unless the authority submitted a letter to the comptroller in accordance with Section [2206.101\(b\)](#), Government Code, not later than December 31, 2012.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0106. LEASE OF AUTHORITY FACILITIES. A lease under Section [60.101](#), Water Code, may contain any provision the commission determines is advantageous to the authority, including a provision for:

- (1) the sale of a leased property at the termination of the lease; and
- (2) the management and operation of a leased property by the lessee.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0107. SALE OF SURPLUS PROPERTY. The commission may order authority property sold as provided in Section [60.101](#), Water Code, if the property is not considered reasonably required to carry out the authority's plans.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0108. GENERAL AUTHORITY TO MAKE CONTRACTS AND EXECUTE INSTRUMENTS. The authority may make a contract or execute an instrument necessary or convenient to exercising a power, right, privilege, or function conferred on the authority by this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0109. COMPETITIVE BIDDING FOR CERTAIN CONTRACTS.
(a) Before the commission enters into a contract for the expenditure of an amount of \$25,000 or more, the authority shall submit the proposed contract for competitive bids as provided by this section.

(b) The commission shall publish notice of the time and place for the opening of sealed bids on a contract described by Subsection (a) in one or more newspapers of general circulation in this state, one of which must be a newspaper published in Jefferson County. The notice must be published once a week for two consecutive weeks, with the first publication being made not later than the 14th day before the date set for the opening of bids.

(c) The commission may reject any bid submitted under this section, but if the commission accepts a bid, the bid must be the lowest and best bid received.

(d) This section does not apply to:

- (1) improvements performed by the United States;
- (2) emergencies that require immediate action to protect persons or property;
- (3) necessary emergency repairs to authority

property; or

(4) contracts for personal or professional services or work done by the authority and paid for by the day as the work progresses.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0110. OFFICERS, AGENTS, AND EMPLOYEES. The authority may employ, prescribe the duties of, and set the compensation of officers, agents, and employees.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0111. SEAL. The authority may adopt and use a corporate seal.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0112. AUTHORITY TO SUE AND BE SUED. The authority may sue and be sued in its corporate name.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 5012.0151. MAINTENANCE AND OPERATIONS TAX. The commission may impose an annual tax for the maintenance and operation of the authority and the authority's improvements at a rate not to exceed 20 cents for each \$100 valuation of taxable property in the authority.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0152. TAX ASSESSOR AND COLLECTOR. (a) The commission shall appoint a tax assessor and collector.

(b) The tax assessor and collector shall execute a bond in an amount set by the commission that is:

(1) at least twice the average daily balance of the authority in its depository for the preceding year; and

(2) not more than the estimated amount of revenues of the authority for any year.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0153. AUTHORITY TO BORROW MONEY, ACCEPT GRANTS, AND ISSUE ASSOCIATED REVENUE BONDS. The authority may:

(1) borrow money for the authority's corporate purposes consistent with the constitution, this chapter, and Chapters 60-63, Water Code;

(2) borrow money or accept a grant from the United States or from a corporation or agency created or designated by the United States and, in connection with the loan or grant, enter into any agreement the United States or the corporation or agency may require; and

(3) make and issue bonds for money borrowed, in the manner provided by this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0154. AUTHORITY TO BORROW MONEY FOR CURRENT EXPENSES; EVIDENCE OF OBLIGATION. (a) The authority may:

(1) borrow money for current expenses; and

(2) evidence the borrowed money by warrants.

(b) The total amount of the warrants may not exceed the anticipated revenue.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

SUBCHAPTER E. BONDS

Sec. 5012.0201. AUTHORITY TO ISSUE BONDS; ELECTION.

(a) The authority may issue bonds for any corporate purpose.

(b) The authority may issue bonds for a purpose described by Section [5012.0102](#)(1) or to acquire necessary or proper lands,

rights of way, extension or improvements of belt railway lines, or construction or improvements of wharves, docks, ship repair facilities, or other facilities or aids to navigation.

(c) The authority may secure bonds issued under Subsection (b) by liens on properties acquired, constructed, or improved and pledge available revenues as additional security.

(d) An election to approve the issuance of bonds payable from taxes must be held in the manner provided for bond elections under Chapter 54, Water Code.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. 4172), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0202. FORM OF BONDS. Authority bonds must be:

- (1) issued in the authority's name; and
- (2) signed by the commission's presiding officer.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. 4172), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0203. TERMS OF ISSUANCE. Authority bonds may be:

- (1) sold for cash;
- (2) issued on terms the commission determines in exchange for any property, or any interest in property, that the commission considers necessary or convenient for the corporate purpose for which the bonds are issued; or
- (3) issued in exchange for like principal amounts of other obligations of the authority, whether matured or unmatured.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. 4172), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0204. DEPOSIT OF PROCEEDS. The proceeds of sale of authority bonds shall be deposited in one or more banks or trust companies, and shall be paid out according to the terms on which the authority and the purchasers of the bonds agree.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. 4172), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0205. RESOLUTION PROVISIONS. (a) A resolution

authorizing bonds may contain provisions approved by the commission that are not inconsistent with this chapter, including provisions:

(1) reserving the right to redeem the bonds or requiring the redemption of the bonds, at a time, in an amount, and at a price, not to exceed 105 percent of the principal amount of the bonds, plus accrued interest;

(2) providing for the setting aside of sinking funds or reserve funds and the regulation and disposition of those funds;

(3) securing the payment of the principal of and interest on the bonds and of the sinking fund or reserve fund payments associated with the bonds by pledging:

(A) all or any part of the gross or net revenue subsequently received by the authority with respect to the property to be acquired or constructed with the bonds or the proceeds of the bonds; or

(B) all or any part of the gross or net revenue subsequently received by the authority from any source;

(4) securing the payment of the principal of and interest on the bonds by pledging taxes;

(5) prescribing the purposes to which the bonds or any bonds subsequently issued, or the proceeds of the bonds, may be applied;

(6) agreeing to set and collect rates and charges sufficient to produce revenue adequate to:

(A) pay all expenses necessary to the operation, maintenance, and replacement of and additions to the authority's property;

(B) pay the principal of, and the interest and premium, if any, on bonds issued under this chapter when the bonds become due and payable;

(C) pay all sinking fund or reserve fund payments for those bonds out of those revenues as and when they become due and payable;

(D) fulfill the terms of any agreements made with the holders of the bonds or with any person on their behalf; and

(E) discharge all other lawful obligations of the authority as and when the obligations become due;

(7) prescribing limitations on the issuance of additional bonds and subordinate lien bonds and on the agreements that may be made with the purchasers and successive holders of those bonds;

(8) regarding the construction, extension, improvement, reconstruction, operation, maintenance, and repair of the authority's properties and the carrying of insurance on all or any part of those properties covering loss, damage, or loss of use and occupancy resulting from specified risks;

(9) setting the procedure by which the authority may change the terms of a contract with the bondholders, the amount of bonds the holders of which must consent to that change, and the manner in which the consent may be given; and

(10) providing for the execution and delivery by the authority to a bank or trust company authorized by law to accept trusts, or to the United States or any officer of the United States, of indentures and agreements for the benefit of the bondholders setting forth any of the agreements authorized by this chapter to be made with or for the benefit of the bondholders and any other provisions that are customary in such indentures or agreements.

(b) A provision authorized by this section that is contained in a bond resolution is part of the contract between the authority and the bondholders.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.

Sec. 5012.0206. BOND ANTICIPATION NOTES. (a) The commission may declare an emergency because money is not available to meet any of the authority's needs, including to pay the principal of and interest on authority bonds.

(b) Bond anticipation notes may bear interest at a rate not to exceed 10 percent and must mature not later than one year after the date of issuance.

(c) Bond anticipation notes issued by the authority must be taken up with the proceeds of the bonds, or the bonds may be issued and delivered in exchange for the bond anticipation notes.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01,

eff. April 1, 2021.

Sec. 5012.0207. REFUNDING BONDS. (a) The authority may make and issue bonds for the purpose of refunding or refinancing outstanding bonds authorized and issued by the authority under this chapter or other law and the interest and any premium on the bonds to maturity or on any earlier redemption date specified in the resolution authorizing the issuance of the refunding bonds.

(b) Refunding bonds issued by the authority may:

(1) be issued to refund more than one series of outstanding bonds;

(2) combine the pledges of the outstanding bonds for the security of the refunding bonds; or

(3) be secured by other or additional revenue.

(c) The provisions of this chapter regarding the issuance of bonds, the terms and provisions of bonds, and the remedies of the bondholders apply to refunding bonds issued by the authority.

(d) The comptroller shall register the refunding bonds issued by the authority on the surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the authority, in the resolution authorizing the issuance of refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds at the places at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the interest and premium, if any, on the bonds to be refunded to the bonds' maturity date or specified earlier redemption date, and the comptroller shall register the refunding bonds without the concurrent surrender and cancellation of the bonds to be refunded.

(f) The authority may also refund outstanding bonds in the manner provided by Chapters 60-63, Water Code.

Added by Acts 2019, 86th Leg., R.S., Ch. 468 (H.B. [4172](#)), Sec. 1.01, eff. April 1, 2021.