

BILL ANALYSIS

C.S.H.B. 1754
By: Pickett
Economic & Small Business Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that current law is unclear as to whether a city in Texas can offer municipally owned land to a prospective business. These parties assert that cities need the authority to contribute land to a project quickly in order to make business incentive packages competitive for recruiting new companies to the area. C.S.H.B. 1754 seeks to enhance current economic development incentives intended to lure businesses to cities in Texas.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1754 amends the Local Government Code to authorize a municipality that has entered into an agreement with an entity under a municipal planning and economic development program to transfer to the entity real property or an interest in real property for consideration in the form of an agreement between the parties that requires the entity to use the property in a manner that primarily promotes a public purpose of the municipality relating to economic development. The bill requires the agreement to include provisions under which the municipality is granted sufficient control to ensure that the public purpose is accomplished and the municipality receives the return benefit. The bill requires the municipality, before making the transfer, to provide notice to the general public published in a newspaper of general circulation in the county in which the property is located or, if there is no such newspaper, in a newspaper of general circulation in an adjoining county. The bill requires the notice to include a description of the real property, including its location, and to be published on two separate days within 10 days before the date the property is transferred.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1754 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Chapter 253, Local Government Code, is amended by adding Section 253.0125 to read as follows:

Sec. 253.0125. CONVEYANCE OF PROPERTY FOR ECONOMIC DEVELOPMENT PURPOSES. (a) This section applies only to an entity and a municipality that have entered into an economic development agreement authorized by Chapter 380.

(b) Notwithstanding Section 272.001(a) or other law, a municipality may transfer to an entity real property or an interest in real property for consideration described by this section.

(c) Consideration for a transfer authorized by this section is in the form of an agreement between the parties that requires the entity to use the property in a manner that primarily promotes a public purpose of the municipality relating to economic development. The agreement must include provisions under which the municipality is granted sufficient control to ensure that the public purpose is accomplished and the municipality receives the return benefit.

SECTION 2. 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, 2015.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Chapter 253, Local Government Code, is amended by adding Section 253.0125 to read as follows:

Sec. 253.0125. CONVEYANCE OF PROPERTY FOR ECONOMIC DEVELOPMENT PURPOSES. (a) This section applies only to an entity and a municipality that have entered into an economic development agreement authorized by Chapter 380.

(b) Notwithstanding Section 272.001(a) or other law, a municipality may transfer to an entity real property or an interest in real property for consideration described by this section.

(c) Consideration for a transfer authorized by this section is in the form of an agreement between the parties that requires the entity to use the property in a manner that primarily promotes a public purpose of the municipality relating to economic development. The agreement must include provisions under which the municipality is granted sufficient control to ensure that the public purpose is accomplished and the municipality receives the return benefit.

(d) Before making a transfer under an agreement as provided by this section, the municipality shall provide notice to the general public published in a newspaper of general circulation in the county in which the property is located or, if there is no such newspaper, in an adjoining county. The notice must:

(1) include a description of the real property, including its location; and

(2) be published on two separate days within 10 days before the date the property is transferred.

SECTION 2. Same as introduced version.