

**SUBJECT:** Transfer of property to institutions of higher education

**COMMITTEE:** Land and Resource Management — favorable, without amendment

**VOTE:** 7 ayes — Walker, Crabb, Bosse, F. Brown, Hardcastle, Howard, Krusee  
0 nays  
2 absent — Mowery, B. Turner

**SENATE VOTE:** On final passage, Local and Uncontested Calendar, April 19 — 30-0

**WITNESSES:** None

**BACKGROUND:** Local Government Code, chapter 272 allows political subdivisions to sell or otherwise convey property without publishing a notice regarding the sale or exchange of the property and without having to accept bids for the property from the public, if the property is conveyed:

- ! to one or more owners of abutting property who own the underlying fee simple;
- ! for the development of low-income or moderate-income housing; or
- ! for the purposes of economic development using community development block grants from the federal government.

**DIGEST:** SB 1289 would allow political subdivisions to sell or otherwise convey land and improvements on the land to institutions of higher education if the institution intended to promote a public purpose related to higher education. The political subdivision could dictate the terms and conditions of the transaction to ensure that the property conveyed would be used for a public purpose. The subdivision could convey the property for less than fair-market value without the requirements for publishing a notice and accepting bids from the public.

Industrial development corporations, as defined by the Development Corporation Act of 1979 (art. 5190.6, VTCS), could sell or otherwise convey land or other property to institutions of higher education. The property would have to be used for a legal purpose of the institution, and the transfer could

not conflict with the terms of the act that govern the operation of development corporations.

Public junior colleges or junior college districts could sell or otherwise convey land and improvements on the land to a university system for less than the fair-market value of the property if the transfer promoted a public purpose related to higher education within the service area of the college or district.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house.

**SUPPORTERS  
SAY:**

Institutions of higher education need to be able to receive donated property from local governments, industrial development corporations, and junior colleges. Transfers of land under SB 1289 could facilitate the expansion of higher education institutions at reduced cost to the institutions and the state. The growth of educational institutions provides significant benefits to all state residents. Cities and educational institutions around the state have developed plans for property transfers and are waiting for statutory authority to implement the plans.

The proposed exemption from notice and bidding requirements already applies to the transfer of land for economic development and for low- and moderate-income housing development. The growth and improvement of higher education facilities is an equally worthy goal. SB 1289 would ensure that higher education institutions develop the transferred property for the benefit of the public good.

**OPPONENTS  
SAY:**

This bill could deny private citizens and corporations the opportunity to purchase valuable property across the state by taking this property off the market. The state should not further reduce the opportunities for private interests to buy public property if local governments no longer need it.