

- SUBJECT:** Removing certain requirements on the sale of a school district's property
- COMMITTEE:** Public Education — favorable, without amendment
- VOTE:** 11 ayes — Huberty, Bernal, Allen, Bohac, Deshotel, Dutton, Gooden, K. King, Koop, Meyer, VanDeaver
- 0 nays
- WITNESSES:** For — Colby Nichols, Texas Rural Education Association; (*Registered, but did not testify*: David D. Anderson, Arlington ISD Board of Trustees; Seth Rau, San Antonio ISD; Barry Haenisch, Texas Association of Community Schools; Daniel Gonzalez and Julia Parenteau, Texas Association of REALTORS; Amy Beneski, Texas Association of School Administrators; Dax Gonzalez, Texas Association of School Boards; Tracy Ginsburg, Texas Association of School Business Officials; Curtis Culwell, Texas School Alliance)
- Against — None
- On — (*Registered, but did not testify*: Eric Marin, Texas Education Agency)
- BACKGROUND:** Under Local Government Code, sec. 272.001(a), a political subdivision must follow certain procedures when selling property that include providing notice in a local newspaper on the land for sale and initiating a bidding process. In *Collins v. County of El Paso (1997)*, the Eighth Texas Court of Appeals held that school districts may not convey public land for less than fair market value, which is required under sec. 272.001.
- Education Code, sec. 11.154(c) allows a school district to use a licensed real estate broker or salesperson for assistance in acquiring or selling real property.
- DIGEST:** HB 2611 would allow school districts to sell property without complying with current bidding and notice requirements when selling it through a

licensed real estate broker.

After 30 days of listing the property with a multiple-listing service (MLS) through a broker, the school district could accept the highest cash offer from a willing and able buyer who was produced by any broker using the MLS.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.

**SUPPORTERS  
SAY:**

HB 2611 would allow school districts to forego the long and arduous bidding and notice process when selling property through a licensed realtor, which could lead to more exposure and better offers. The current requirements for bidding and posting notice can be burdensome to smaller, rural school districts because there may not be many potential, local buyers, and notices in a local newspaper may not garner the same level of exposure as a multiple-listing service provide by a realtor.

The bill would allow for more local control over the selling process, providing more options to school districts. Districts still could sell their property through the regular bidding and notice process if they wished but would have more options based on their needs.

Cities and counties already may use a realtor to sell property to a willing and able buyer with the highest bid if they cannot find a buyer who will pay fair market value after 30 days. This bill simply aligns school districts with an alternative used by other local governments.

HB 2611 would allow a school district to sell property for the highest cash offer, regardless of fair market value. There are some properties that might never sell for fair market value, and continuing with the bidding and notice process for these properties would add unnecessary expense.

**OPPONENTS  
SAY:**

No apparent opposition.