

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1289

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Education

4/9/1999

Committee Report (Substituted)

DIGEST

Currently, Texas law requires political subdivisions and economic development corporations that wish to convey property to institutions of higher education to comply with certain notice, bidding and sale requirements in exchange for that institution's consideration of the location of an educational facility on the property. Recently, institutions throughout the state that wished to further existing educational programs or develop new educational programs on land to be donated by the political subdivisions or economic development corporations could not receive the donated land because current law prohibits such transfers. This bill would provide the enabling legislation permitting political subdivisions or economic development corporations to bypass notice, bidding, and sale requirements in order to donate property to a university as long as the land is used to promote a public purpose related to higher education.

PURPOSE

As proposed, C.S.S.B. 1289 sets forth guidelines for the donation and transfer of real or personal property to institutions of higher education.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 272.001, Local Government Code, by amending Subsection (a) and adding Subsection (j), to authorize a political subdivision to donate, exchange, convey, sell, or lease land, improvements, or any other interest in real property to institutions of higher education to promote a public purpose related to higher education. Requires a political subdivision to determine the terms and conditions of the transaction so as to effectuate and maintain the public purpose. Authorizes a political subdivision to make such a transaction for less than the fair market value of the real property interest and without compliance with the notice and bidding requirements of Subsection (a).

SECTION 2. Amends Article 5190.6, V.T.C.S., by amending Subsection 2(10), and adding Subsection 2(15), to redefine "project" and to define "institution of higher education."

SECTION 3. Amends Article 5190.6, V.T.C.S., by amending Section 3, to declare that the existence, development, and expansion of higher education is essential to the economic growth of this state, and that the assistance provided by industrial development corporations in promoting higher education opportunities will encourage and foster the development and diversification of the economy of the state and the elimination of unemployment and underemployment. Makes conforming changes.

SECTION 4. Amends Article 5190.6, V.T.C.S., by amending Subsection 23(a), to grant the Texas Small Business Industrial Development Corporation (corporation) the power to donate, exchange, convey, sell, or lease interests in real property, fixtures or equipment, or personal property to an institution of higher education upon certain terms and conditions. Makes conforming changes.

SECTION 5. Amends Chapter 130A, Education Code, by adding Section 130.0021, as follows:

Sec. 130.0021. CONVEYANCE OF CERTAIN REAL PROPERTY. Authorizes a public junior college or a public junior college district to donate, exchange, convey, sell, or lease land, improvements, or any other interest in real property for less than fair market value of the real property interest if such an exchange is being made to a university system and the governing board

of the public junior college or district also finds the exchange promotes a certain public purpose.

SECTION 6. Emergency clause.
Effective date: upon passage.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 272.001, Local Government Code, to require a political subdivision to determine the terms and conditions of the transaction so as to effectuate and maintain the public purpose. Authorizes a political subdivision to make such a transaction for less than the fair market value of the real property interest.

SECTION 5.

Amends Section 130.0021, Education Code, to make conforming changes.