

## **BILL ANALYSIS**

Senate Research Center  
82R5208 JTS-D

H.B. 2690  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Local government entities can exercise the right to sell or lease certain real property as well as donate land to the federal government for projects that serve a public purpose, but are limited in their ability to convey real property to other local governmental entities at or below fair market value in order to serve a public purpose. H.B. 2690 seeks to address this issue by establishing provisions relating to authorizing local governments to convey real property interests to other local governments for less than fair market value if conveyed to serve a public purpose.

H.B. 2690 amends current law relating to authorizing local governments to convey real property interests to other local governments for less than fair market value.

### **RULEMAKING AUTHORITY**

This bill does not expressly 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 (l), as follows:

(a) Requires that notice to the general public of the offer of the land for sale or exchange be published in a newspaper of general circulation in either the county in which the land is located or, if there is no such newspaper, in an adjoining county, except for the types of land and interests covered by Subsection (b) (relating to providing that the notice and bidding requirements of Subsection (a) do not apply to the types of land and real property interests described by this subsection and owned by a political subdivision), (g) (relating to authorizing a political subdivision to acquire or assemble land or real property interest, except by condemnation, and sell, exchange, or otherwise convey the land or interests to an entity for the development of low-income or moderate-income housing), (h) (relating to authorizing a municipality having a population of 575,000 or less and owning land within 5,000 feet of where the shoreline of a lake would be if the lake were filled to its storage capacity to, without notice or the solicitation of bids, sell the land to the person leasing the land for the fair market value of the land as determined by a certified appraiser), (i) (relating to authorizing a political subdivision that acquires land or a real property interest with funds received for economic development purposes from the community development block grant nonentitlement program authorized by Title I of the Housing and Community Development Act of 1974 (42 U.S.C. Section 5301 et seq.) to lease or convey the land or interest), (j) (relating to authorizing a political subdivision to donate, exchange, convey, sell, or lease land, improvements, or any other interest in real property to an institution of higher education), or (l), and except as provided by Section 253.008 (Sale of Real Property by Public Auction), before land owned by a political subdivision of the state may be sold or exchanged for other land. Makes a nonsubstantive change.

(l) Provides that the notice and bidding requirements provided by Subsection (a) do not apply to a donation or sale made under this subsection. Authorizes a political subdivision

to donate or sell for less than fair market value a designated parcel of land or an interest in real property to another political subdivision if:

- (1) the land or interest will be used by the political subdivision to which it is donated or sold in carrying out a purpose that benefits the public interest of the donating or selling political subdivision;
- (2) the donation or sale of the land or interest is made under terms that effect and maintain the public purpose for which the donation or sale is made; and
- (3) the title and right to possession of the land or interest revert to the donating or selling political subdivision if the acquiring political subdivision ceases to use the land or interest in carrying out the public purpose.

SECTION 2. Effective date: upon passage or September 1, 2011.