

BILL ANALYSIS

Senate Research Center
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S.B. 1226
By: Seliger
Health & Human Services
3/14/2019
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1226 will authorize the release of the Reversionary Interest by the State of Texas for the benefit of West Texas Centers for Mental Health and Mental Retardation (West Texas Centers).

West Texas Centers is a Texas Health and Safety Code, Chapter 534, community center providing citizens with mental health and intellectual and developmental disabilities services located in Andrews, Borden, Crane, Dawson, Fisher, Gaines, Garza, Glasscock, Howard, Kent, Loving, Martin, Mitchell, Nolan, Reeves, Runnels, Scurry, Terrell, Terry, Upton, Ward, Winkler and Yoakum Counties.

Upon its creation in 1997, West Texas Centers was conveyed certain real property and buildings from the State of Texas to help facilitate its delivery of services. The real property was conveyed subject to a reversionary interest in favor of the State if West Texas Centers ever stopped using the property to provide mental health and intellectual and developmental disability services to the citizens of its region.

West Texas Centers has been approached by Cap Rock Holdings, LLC, with an opportunity to exchange one of its older state-conveyed properties located at 319 Runnels, Big Spring, TX, for a new property located across the street from its current location. On the proposed new property will be built a brand-new building that will be considerably larger, nicer and more valuable than West Texas Centers' current building.

As proposed, S.B. 1226 amends current law relating to the release of a reversionary interest in certain real property by the Health and Human Services Commission and conditions related to that release.

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. (a) Requires the Health and Human Services Commission (HHSC), subject to Subsections (b) and (c) of this section and not later than February 1, 2021, to execute an appropriate instrument to release and nullify the right of reverter to which the real property described by Section 2 of this Act is subject under the deed filed in the Deed Records of Howard County, Texas, at Volume 795, Pages 141-143.

(b) Requires HHSC by appropriate instrument to release the right of reverter described by Subsection (a) of this section only if:

(1) the West Texas Centers for Mental Health and Mental Retardation transfers by appropriate instrument of conveyance to Cap Rock Holdings, LLC, a Texas limited liability company, real property described by Section 2 of this Act in exchange for the real property described by Section 3 of this Act transferred by appropriate instrument of conveyance by Cap Rock Holdings, LLC, a Texas

limited liability company to West Texas Centers for Mental Health and Mental Retardation;

(2) the fair market value of the real property described by Section 3 of this Act is equal to or greater than the fair market value of the real property described by Section 2 of this Act as established by an independent appraisal obtained by the asset management division of the Texas General Land Office (GLO); and

(3) the real property described by Section 3 of this Act is conveyed to the West Texas Centers for Mental Health and Mental Retardation by Cap Rock Holdings, LLC, a Texas limited liability company, by appropriate instrument of conveyance that includes a provision that imposes as a condition on title to the real property that the title will automatically vest in HHSC if the West Texas Centers for Mental Health and Mental Retardation discontinues using the property for the purpose of providing community-based mental health and intellectual disability services for more than 180 continuous days.

(c) Authorizes HHSC to execute the instrument releasing the right of reverter and described by Subsection (a) of this section to nullify the right of reverter and clear the right of reverter from the title of the real property described by Section 2 of this Act only if GLO has verified that the conditions described by Subsection (b) of this section have been satisfied.

SECTION 2. Provides that the real property title to which is held by the West Texas Centers for Mental Health and Mental Retardation is situated in Howard County, Texas. Sets forth the metes and bounds of the property.

SECTION 3. Provides that the real property title to which is held by Cap Rock Holdings, LLC, a Texas limited liability company, is situated in Howard County, Texas. Sets forth the metes and bounds of the property.

SECTION 4. Effective date: upon passage or September 1, 2019.