

SUBJECT: Charitable donation of hospital districts' salvage and surplus property

COMMITTEE: County Affairs — favorable, without amendment

VOTE: 7 ayes — Lewis, W. Smith, Casteel, Chisum, Flynn, Olivo, Quintanilla

0 nays

2 absent — Farabee, Farrar

SENATE VOTE: On final passage, May 6— 31-0, on Local and Uncontested Calendar

WITNESSES: *(On companion bill, HB 970:)*

For — Jim Allison, County Judges and Commissioners Association of Texas;
Mark Mendez, Tarrant County Commissioners Court; Donald Lee, Texas
Conference of Urban Counties

Against — None

BACKGROUND: HB 970 by Truitt, which was signed by the governor on May 15 and became effective immediately, amended Local Government Code, sec. 263.152(a) to authorize a county commissioners court to donate surplus or salvage property to civic or charitable organizations in the county without first offering the property for sale. The court first must determine that:

- it would receive no bid for the property at auction or would receive a bid too low to cover the expense of offering the property for sale;
- the donation would serve a public purpose; and
- the organization receiving the donation would provide adequate consideration, such as paying the cost of transporting or disposing of the donated property.

HB 970 repealed Local Government Code, sec. 263.152(c), which authorized counties to donate surplus and salvage property to local civic or charitable organizations only after first attempting to sell it.

Local Government Code, sec. 263.151 defines salvage property as personal

property, other than items routinely discarded as waste, that because of use, time, accident, or any other cause is so worn, damaged, or obsolete that it has no value for the purpose for which it was originally intended. Surplus property is property that might still serve a useful purpose, but is of no use for the current or foreseeable future needs of its owner.

Health and Safety Code, ch. 285 governs special provisions relating to hospital districts. Currently, there is no statutory provision to allow hospital districts to dispose of surplus or salvage property that might include carpet, window shades, office furniture, cafeteria dishes, or other items that, while worn or broken, might be of use to small, grassroots civic and charitable organizations.

DIGEST: CSSB 705 would add subch. Z to Health and Safety, ch. 285, authorizing the governing board of a hospital districts to dispose of salvage and surplus property in the same way that a commissioners court of a county may dispose of the county's surplus and salvage property under Local Government Code, sec. 263.152.

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, 2003.

NOTES: The companion bill, HB 970 by Truitt, which did not include authorization for hospital districts to donate surplus and salvage property to civic and charitable organizations, was signed by the governor on May 15 and became effective immediately.