

**SUBJECT:** Transfer of state property from DADS to community MHMR centers

**COMMITTEE:** Human Services — committee substitute recommended

**VOTE:** 7 ayes — Rose, Herrero, Darby, Hernandez, Legler, Naishtat, Walle  
0 nays  
2 absent — Elkins, Hughes

**WITNESSES:** For — *On substitute bill:* Danette Castle, Texas Council of Community MHMR Centers; (*Registered, but did not testify:* Bud Schertler, Texas Council of Community MHMR Centers, Carole Smith, Private Providers Association of Texas)  
  
Against — None

**BACKGROUND:** Beginning in 1987, Texas bought 42 properties to provide community-based facilities, or group homes, for the purpose of providing services for people with developmental disabilities. These facilities no longer are state-run, but currently are operated and managed by 10 community mental health and mental retardation (MHMR) centers.

**DIGEST:** CSHB 2039 would transfer from the Department of Aging and Disability Services (DADS) 42 state-owned MHMR homes to community MHMR centers, and would require the community centers to continue to use the properties to provide community-based MHMR services. If the community centers failed to use the property as intended for more than 180 consecutive days, ownership would revert to DADS.  
  
The state would retain the mineral rights of the property.  
  
The 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, 2009.

**SUPPORTERS SAY:** CSHB 2039 would transfer 42 state properties to community MHMR centers, which is supported by the community MHMR centers and DADS.

The transfer would improve agency efficiency by eliminating the administrative paperwork and other requirements related to the management of lease agreements for the 42 properties.

State ownership of these facilities is a legacy holdover from the time the state actually ran the homes. The community MHMR centers now operate and manage the homes, but do not actually own them. This has been a burden when making decisions concerning the operation of the facilities. By transferring ownership, CSHB 2039 would improve the operating efficiency of the MHMR group homes.

It would be appropriate to transfer the properties without payment because these homes are used by and equipped for the residents of the community MHMR centers. The community centers are prepared to pay off the remaining bond debt to DADS. There would be no opportunity for the centers to profit from the sale of the homes since they would be required to continue to use the homes for MHMR services or else the property would revert to the state.

OPPONENTS  
SAY:

CSHB 2039 would provide the transfer of state-owned property without compensation. The state should sell the properties to the community centers rather than just giving them away.

NOTES:

The committee substitute made nonsubstantive address changes.

According to the fiscal note, DADS currently collects lease payments of \$395,000 annually from the properties and that money flow would decrease if the properties were transferred. The transfer would eliminate the maintenance costs that currently are the responsibility of DADS.