

SUBJECT: Allowing a municipality to transfer property for economic development

COMMITTEE: Economic and Small Business Development — committee substitute recommended

VOTE: 9 ayes — Button, Johnson, C. Anderson, Faircloth, Isaac, Metcalf, E. Rodriguez, Villalba, Vo

0 nays

WITNESSES: For — (*Registered, but did not testify:* Cary Westin, City of El Paso; Jon Weist, City of Irving; Megan Dodge, City of San Antonio; Jim Wehmeier, McKinney Economic Development Corporation; Carlton Schwab, Texas Economic Development Council; Robert Howden, the City of the Colony; Guy Robert Jackson)

Against — None

BACKGROUND: Under Local Government Code, ch. 272, before land owned by a political subdivision of the state may be conveyed, notice of the offer to the general public must be published in a newspaper in the county in which the land is located or, if there is no such newspaper, in an adjacent county.

The notice would include a description of the land, including its location, and the procedure by which sealed bids to purchase the land or offers to exchange the land may be submitted. The notice must be published on two separate dates and the sale or exchange may not be made until after the 14th day after the date of the second publication.

DIGEST: CSHB 1754 would allow a municipality to transfer real property to an entity with which the municipality had an active economic development agreement. The transfer would be a contract, with an agreement between the municipality and the entity serving as consideration. The agreement would be required to include provisions giving the municipality sufficient control to ensure that the property would be used primarily to promote economic development.

Before making a transfer under such an agreement, the municipality would have to provide notice to the public of the transfer. The notice, which would include a description of the property, would have to be published on two separate days, within 10 days before the date the property would be transferred, in a newspaper in the county in which the property was located or, if no such newspaper existed, in an adjacent county.

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, 2015.