

SUBJECT: Revising property sale provisions for the Nueces County Hospital District

COMMITTEE: County Affairs — committee substitute recommended

VOTE: 8 ayes — Neave Criado, Stucky, Gerdes, Jolanda Jones, Orr, Rosenthal, Slaton, Tinderholt

0 nays

1 absent — Schatzline

WITNESSES: For — Jonny Hipp, Nueces County Hospital District (*Registered, but did not testify*; Joel Romo, Nueces County; Art Granado, Nueces County Hospital District; Maureen Milligan, Teaching Hospitals of Texas)

Against — None

BACKGROUND: Concerns have been raised that the sealed bidding system by which the Nueces County Hospital District is required to sell property can lead to property being left on the market for extended periods of time.

DIGEST: CSHB 4844 would allow the Nueces County Hospital District to contract with a broker to sell a tract of real property that was owned by the district. The district could not contract with a broker who was related within the third degree of consanguinity or affinity to a member of the board of hospital managers of the district or a public official who served on the Nueces County Commissioners Court. The district could pay a fee if a broker produced a ready, willing, and able buyer to purchase a tract of real property.

If a contract required a broker to list the property tract for sale for at least 30 days with a service used by other brokers in the property's county, the district, on or after the 30th day the property was listed, could sell the tract to a buyer who was produced by any broker with whom the district could contract and who submitted the best offer. The district would be required post a notice of intent to sell the property at least once in a general

circulation newspaper at least 30 days before the date the district accepted a broker's offer. The bill would allow the district to sell a property tract without complying with the requirements of the Local Government Code relating to notice of a sale or exchange of land by a political subdivision.

The district could not sell a tract for less than the fair market value of the tract, as determined by an independent appraisal prepared by an appraiser and obtained by the district. The district could not obtain such an appraisal from an appraiser who was related within the third degree of consanguinity or affinity to a member of the board of hospital managers of the district or a public official who served on the Nueces County Commissioners Court.

The bill would prohibit the district from selling a property tract to a buyer who:

- was related within the third degree of consanguinity or affinity to a member of the board of hospital managers of the district, a public official who served on the Nueces County Commissioners Court, or the broker for the sale; or
- had a business or financial relationship with a member of the board of hospital managers of the district or a public official who served on the Nueces County Commissioners Court that could reasonably be expected to materially and adversely effect the judgement of the member or official.

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, 2023.