

BILL ANALYSIS

Senate Research Center
76R8962 PAM-F

H.B. 3161
By: Dunnam (Sibley)
Veterans Affairs and Military Installations
5/7/1999
Engrossed

DIGEST

Chapter 2310, Government Code, provides for special assistance to local communities which have experienced the closing of a Department of Defense military base or facility. This chapter provides for the creation of a defense economic readjustment zone (DERZ) wherein approved projects are eligible for special benefits, exemption from regulations, and certain incentives. The designation of an area as a DERZ also qualifies the area as a reinvestment zone for tax increment financing and abatement purposes. The overall purpose of DERZ designation is to encourage economic redevelopment to offset the impact to the local economy when a military base closes. However, a city which has entered into long negotiations with an industrial prospect is then required to sell the land through a competitive bidding process. This may result in the land being sold to a completely different entity, which has made no commitment to the city regarding the type of development to be placed on the property or the number of persons to be employed. This situation creates an obstacle to economic development on former defense bases and makes negotiations of economic development awkward. H.B. 3161 authorizes buildings or city-owned land located in a readjustment zone to be sold without notice or bidding if the sale satisfies the criteria and public purpose designated by the governing body in an ordinance.

PURPOSE

As proposed, H.B. 3161 sets forth requirements for the disposition of public property in a readjustment zone.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2310.410, Government Code, to authorize the state, a municipality, or a county that owns a surplus building or vacant land in a defense economic readjustment zone to dispose of the building or land by selling the building or land without notice or bidding as provided by Subsection (d). Authorizes the building or land to be sold to a buyer who is not the highest bidder if the criteria and public purpose specified in the ordinance or order adopted under Subsection (b) are satisfied, if the surplus building or vacant land is sold at a public auction. Authorizes the surplus building or vacant land to be sold without complying with notice or bidding requirements if the criteria and public purpose specified in the ordinance or order adopted under Subsection (b) are satisfied. Deletes text authorizing the building or land to be sold to a buyer who is not the highest bidder under certain conditions. Makes conforming changes.

SECTION 2. Emergency clause.

Effective date: upon passage.