

BILL ANALYSIS

Senate Research Center
88R22438 MPF-F

H.B. 4844
By: Herrero (Hinojosa)
Local Government
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the Nueces County Hospital District must utilize a public bidding system to sell any property that it owns. This can lead to the property being on the market for extended periods of time if members of the local community are not interested in purchasing the property. This current process can be cumbersome as it requires hospital district staff to expend time learning and understanding the local real estate market and finding buyers who are willing to engage in the lengthy bid process.

What the Bill Accomplishes:

H.B. 4844 seeks to allow the Nueces County Hospital District to utilize a broker for the sale of real property, which would allow the property to be actively marketed to a wide array of potential buyers. This would give the hospital district two avenues to sell real property that it owns.

Dallas County Hospital District and El Paso County Hospital District are the only other hospital districts that have this authority. H.B. 4844 adds additional safeguards against self-dealing. Those parameters for the use of a broker to sell real property include:

- The district could not contract with a broker who is 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 serves on the Nueces County Commissioners Court.
- 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 is 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 serves on the Nueces County Commissioners Court.
- The bill would prohibit the district from selling a property tract to a buyer who is 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 serves on the Nueces County Commissioners Court, or the broker for the sale.

H.B. 4844 amends current law relating to the use of a broker for the sale of real property by the Nueces County Hospital District.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 281, Health and Safety Code, by adding Section 281.061, as follows:

Sec. 281.061. NUECES COUNTY HOSPITAL DISTRICT; BROKER AGREEMENTS AND FEES FOR SALE OF REAL PROPERTY. (a) Defines "broker," "district," and "fair market value."

(b) Authorizes the Nueces County Hospital District (district), except as provided by Subsection (c), to contract with a broker to sell a tract of real property that is owned by the district.

(c) Prohibits the district from contracting with a broker who is related within the third degree of consanguinity or affinity, as determined under Chapter 573 (Degrees of Relationship; Nepotism Prohibitions), Government Code, to a member of the board of hospital managers of the district (board) or to a public official who serves on the Nueces County Commissioners Court (commissioners court).

(d) Authorizes the district to pay a fee if a broker produces a ready, willing, and able buyer to purchase a tract of real property.

(e) Authorizes the district, if a contract made under Subsection (b) requires a broker to list the tract of real property for sale for at least 30 days with a multiple-listing service used by other brokers in the county in which the real property is located, on or after the 30th day after the date the property is listed, to sell the tract of real property to a ready, willing, and able buyer who is produced by any broker with whom the district is authorized to contract under Subsection (c) using the multiple-listing service and who submits the most advantageous offer.

(f) Requires the district to post a notice of intent to sell the real property in a newspaper of general circulation, not less than once, at least 30 days before the date the district accepts an offer produced by a broker.

(g) Authorizes the district to sell a tract of real property under this section without complying with the requirements of Section 272.001 (Notice of Sale or Exchange of Land by Political Subdivision; Exceptions), Local Government Code.

(h) Prohibits the district from selling a tract of real property under this section for less than the fair market value of the tract of real property, as determined by an independent appraisal prepared by an appraiser certified under Chapter 1103 (Real Estate Appraisers), Occupations Code, and obtained by the district in accordance with Subsection (j).

(i) Prohibits the district from selling a tract of real property under this section to a buyer who:

(1) is related within the third degree of consanguinity or affinity, as determined under Chapter 573, Government Code, to a member of the board, a public official who serves on the commissioners court, or the broker for the sale; or

(2) has a business or financial relationship with a member of the board or a public official who serves on the commissioners court that could reasonably be expected to materially and adversely affect the judgment of the member or public official.

(j) Prohibits the district from obtaining an appraisal under Subsection (h) from an appraiser who is related within the third degree of consanguinity or affinity, as determined under Chapter 573, Government Code, to a member of the board or to a public official who serves on the commissioners court.

SECTION 2. Effective date: upon passage or September 1, 2023.