

BILL ANALYSIS

H.B. 3072
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Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law prohibits a municipality from transferring publicly owned land to an economic development corporation. Rather, an economic development corporation is required to purchase publicly owned land through a bidding process. This process often hamstrings an economic development corporation's budget and drives up the price of the land, which creates a challenge to a city of limited resources that is working to improve its local economy. The challenge is greater for a city that is either built-out or is pursuing redevelopment efforts. As long as such cities are unable to transfer publicly-owned land directly to an economic development corporation, the situation will continue to trouble communities throughout Texas. This bill's provisions are restricted to a city of 20,000 or less to ensure that the provisions affect only a city that does not possess the resources to acquire such land by conventional means.

H.B. 3072 authorizes a municipality with a population of 20,000 or less to transfer real property or an interest in real property to an economic development corporation without complying with the notice and bidding requirements provided by law. The bill establishes certain requirements for the transfer.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3072 amends the Local Government Code to authorize a municipality with a population of 20,000 or less to transfer to an economic development corporation, for consideration described by the bill's provisions, real property or an interest in real property without complying with the notice and bidding requirements provided by law. The bill establishes that consideration for a transfer authorized by the bill's provisions is in the form of an agreement between the parties that requires the economic development corporation to use the property in a manner that primarily promotes a public purpose of the municipality. The bill provides that if the economic development corporation at any time fails to use the property in a manner that primarily promotes a public purpose of the municipality, ownership of the property automatically reverts to the municipality. The bill requires the municipality to transfer the property by an appropriate instrument of transfer that includes a provision requiring the economic development corporation to use the property in a manner that primarily promotes a public purpose of the municipality and indicating that ownership of the property automatically reverts to the municipality if the nonprofit organization at any time fails to use the property in that manner. The bill defines "economic development corporation."

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.