

SUBJECT: Midwestern State University property

COMMITTEE: Land and Resource Management — committee substitute recommended

VOTE: 9 ayes — Bosse, B. Turner, Crabb, Hamric, Howard, Jackson, Krusee,
 Mowery, Staples

 0 nays

WITNESSES: For — Louis Rodriguez, Midwestern State University

 Against — None

BACKGROUND The Education Code contains separate provisions governing the authority of
:
 various higher education institutions to buy, sell, exchange, or lease
 property. Midwestern State University is currently allowed to buy or sell
 property, but may not exchange property or use proceeds from sold property
 to buy other property.

DIGEST: CSHB 91 would allow Midwestern State University's Board of Regents sole
 and exclusive control and management of university lands and other real
 property. The bill would allow the board to acquire by purchase, donation,
 exchange, condemnation, or other means property that is necessary and
 convenient to achieve the purposes of the university. The board's property
 purchases would remain subject to the approval of the Higher Education
 Coordinating Board.

 CSHB 91 also would allow the Board of Regents to sell, exchange, lease, or
 otherwise dispose of any interest in property owned by the university.
 Money received from these transactions would be considered institutional
 funds, and property received in an exchange could be used for any purpose
 the board deemed appropriate.

 CSHB 91 would repeal statutory provisions stipulating the purposes for
 which the university could use proceeds from the conveyance of property.

 The bill would take immediate effect if finally approved by a two-thirds
 record vote of the membership of both houses.

SUPPORTERS
SAY:

CSHB 91 would provide Midwestern State University with additional authority essential to the sound financial management of the school's resources. The school owns 442 acres of land over a mile away from its campus that it would like to exchange with the property of an adjacent landowner. Such an exchange would be beneficial to both parties, but Midwestern lacks the authority to undertake the transaction without approval from the Legislature.

Real estate transactions must often be made within short timetables, and the need to obtain legislative approval for such transactions has prevented Midwestern State from taking advantage of opportunities for the wise sale and exchange of school property.

The Higher Education Coordinating Board, which provides oversight to all schools undertaking the sale, purchase, or exchange of property, would retain authority over similar transactions at Midwestern State and ensure that the best interests of both the school and the state were served by any proposed transactions.

OPPONENTS
SAY:

No apparent opposition.

NOTES:

The committee substitute replaced references to “lands” with “real property.” It also added provisions allowing the Board of Regents to acquire any real property that was convenient for achieving the purposes of the university, making the board's property purchases subject to the authority of the coordinating board, stipulating that money received from selling or leasing real property constituted institutional funds, and allowing property received in an exchange of real property to be used for any purpose the board considered appropriate. The substitute also repealed earlier statutory provisions.

SB 69 by Haywood, which is identical to CSHB 91, passed the Senate on March 20 on the Local and Uncontested Calendar and was reported favorably, without amendment, by the Land and Resource Management Committee on April 2, making it eligible to be considered in lieu of HB 91.