

SUBJECT: Authorizing certain real property transactions involving DPS

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 12 ayes — Cook, Giddings, Craddick, Farney, Farrar, Geren, Harless, Huberty, Kuempel, Oliveira, Smithee, Sylvester Turner

0 nays

WITNESSES: For — None

Against — None

On — (*Registered, but did not testify*: Paul Watkins, Department of Public Safety)

DIGEST: CSHB 1617 would authorize the Department of Public Safety (DPS) to convey a 3.167-acre tract of land in Shelby County to the First United Pentecostal Church of Center, Texas in exchange for a 2.724-acre tract owned by the church.

The bill would allow the conveyance only if the fair market value of the church-owned land is equal to or greater than the fair market value of the state-owned land. The fair market values of the two land parcels would be established by an independent appraisal obtained by the asset management division of the General Land Office. The church and DPS would equally share in the cost of the fees and expenses incurred by the land office.

In connection with the proposed conveyance, the state would reserve its interest in all oil, gas, and other minerals. The state would retain its right to remove any minerals and to grant a lease held by the state relating to the removal of minerals before a conveyance of the property.

The bill would exempt the proposed conveyance from certain requirements in Natural Resources Code, ch. 31, that:

- allow the land commissioner to recommend real estate transactions to the governor;
- require the land office to follow certain procedures for real estate transactions authorized by the Legislature; and
- give the School Land Board first option to purchase real property authorized for sale by the Legislature.

This 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, 2015.

**SUPPORTERS
SAY:**

CSHB 1617 would allow DPS to convey land it owns in Center, Texas, to the First United Pentecostal Church in exchange for a similarly sized nearby parcel. This land swap would help the church expand to adjacent property where the driver's license office is currently located. Although the transaction would necessitate the construction of a new state driver's license office and boat storage barn for the Texas Parks and Wildlife Department, both facilities are in need of replacement.

The House-passed budget bill includes \$1 million in Article 11 for construction of the new facility. According to DPS, the existing driver's license office is in poor condition. A new facility would be less expensive to operate and would be conveniently located within one-half mile of the existing facility.

The property swap would occur only after a review by the land office determines that the church land is at least as valuable as the state land. While some have said the proposed conveyance should be subject to the land and facility review processes of the Texas Facilities Commission, this is a small facility and DPS is in the best position to determine whether the existing facility should be replaced.

**OPPONENTS
SAY:**

The proposed land swap authorized by CSHB 1617 would be unusual and outside of regular state procedures for transactions involving state-owned real property. The Texas Facilities Commission has a process for reviewing state facilities and recommending when buildings should be

repaired or replaced. Although DPS would be pleased to have a new driver's license office in Center, there are other, more urgent facilities needs across the state.

DPS estimates the cost of replacing the driver's license building at \$1.1 million. CSHB 1, as passed by the House, includes \$1 million in Article 11 for the project. It is unclear how the new building would be financed if the money was not included in the final version of the fiscal 2016-17 budget.

NOTES:

Unlike the bill as introduced, the committee substitute would require DPS and the church to split the fees and expenses incurred by the land office in determining the fair market value of the two land parcels.