

## **BILL ANALYSIS**

Senate Research Center

H.B. 3329  
By: Talton (Patterson)  
State Affairs  
5-14-97  
Engrossed

### **DIGEST**

Currently, according to Section 280.002, Local Government Code, a governmental entity may not purchase real property held in trust until the trustee submits to the governmental entity a copy of the trust agreement identifying the owner of the real property. No provision exists regarding the sale of real property held in trust. This bill prohibits a governmental entity from selling real property to a trustee until the person has received a copy of the trust agreement from the trustee which declares the identification of the person who will be the owner of the property.

### **PURPOSE**

As proposed, H.B. 3329 prohibits a governmental entity from selling real property to a trustee until the person has received a copy of the trust agreement from the trustee which declares the identification of the person who will be the owner of the property.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Redesignates Section 2252.091, Local Government Code, as Subchapter D, from Section 280.002, as follows:

#### **SUBCHAPTER D. REAL PROPERTY HELD IN TRUST**

Sec. 2252.091. New heading: DEFINITION. Defines "governmental entity."

Sec. 2252.092. IDENTIFICATION OF TRUST PROPERTY REQUIRED. Prohibits a governmental entity, rather than a municipality or county, from purchasing real property under certain conditions. Prohibits a governmental entity from selling real property to a trustee until the governmental entity receives from the trustee a copy of the trust agreement identifying the person who will be the true owner of the property. Requires the trustee to identify the person who will be the true owner of the property to the governmental entity. Makes conforming changes.

Sec. 2252.093. NONCOMPLIANCE CREATES VOID CONVEYANCE. Provides that a conveyance of property subject to this subchapter is void if a governmental entity fails to comply with Section 2252.092.

Sec. 2252.094. TRUST AGREEMENT CONFIDENTIAL. Provides that a trust agreement submitted to the governing body of the governmental entity under this subchapter is confidential information excepted from the requirements of Section 552.021, Government Code.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Emergency clause.  
Effective date: 90 days after adjournment.