

## **BILL ANALYSIS**

Senate Research Center

H.B. 2388  
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Engrossed

### **DIGEST**

Currently, Section 381.004(c)(3), Local Government Code, provides that the commissioners court may use county employees or funds for a program designed to stimulate economic development in a county. The statute does not specifically address the use of a county's real property as an incentive for the location of businesses. Article 725d (County Acquisition of Land and Facilities for Lease to Public or Private Entities), V.T.C.S., allows for the leasing of real property for economic development purposes but does not address the purchase of property. A site for establishing a business is an important element of a package offered to encourage a business to locate within a jurisdiction. Various sale statutes applicable to counties make the negotiation of development incentive packages difficult to achieve, particularly laws requiring that real property be sold under an auction or sealed bid procedure. There is no exemption in the applicable statutes for real property used for economic development purposes. For that reason, counties are often unable to directly negotiate with any degree of certainty the terms of the sale. H.B. 2388 authorizes counties to sell property for economic development purposes without going through the competitive bid process.

### **PURPOSE**

As proposed, H.B. 2388 authorizes counties to sell property for economic development purposes without going through the competitive bid process.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 381.004, Local Government Code, by amending Subsection (c) and adding Subsections (f) and (g), as follows:

(c) Makes a conforming change.

(f) Authorizes the commissioners court to sell or lease real property of the county for use in a program established under this section if the county acquired the property on or before September 1, 1999. Authorizes the commissioners court to negotiate directly with a business participating in the program in selling and leasing the property. Provides that a sale or lease of property under this subsection is exempt from the requirements of Sections 263.001 (Sale or Lease of Real Property), 263.007 (Sale or Lease of Real Property Through Sealed-Bid Procedure), and 272.001(a) (Notice of Sale or Exchange of Land by Political Subdivision; Exceptions).

(g) Authorizes the commissioners court to sell real property under Subsection (f) for less than the appraised fair market value only as part of a transaction allowing the county to recover the value or benefits of the property's use if the business purchasing the property fails to comply with the standards of the program established under this section.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Emergency clause.  
Effective date: upon passage.