

## **BILL ANALYSIS**

Senate Research Center  
77R475 PAM-D

S.B. 396  
By: Duncan  
Intergovernmental Relations  
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As Filed

### **DIGEST AND PURPOSE**

Under current law, before land owned by a political subdivision of the state may be sold or exchanged for other land, notice to the general public of the offer of land for sale or exchange must be published. Many municipalities allow non-profit entities to occupy facilities and would like to transfer the title to these non-profit entities so that the municipality can divest itself of any maintenance, insurance, and liability responsibilities. In order to do so, the municipality has to participate in the bid process and hope that no one else puts in a bid to take over any of these buildings. As proposed, S.B. 396 permits a municipality to transfer property to a non-profit organization without complying with existing notice and bidding requirements, while still requiring it to place a notice of transfer on the agenda of a public and posted meeting of the city council for approval.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 253, Local Government Code, by adding Section 253.011, as follows:

Sec. 253.011. CONVEYANCE TO NONPROFIT CORPORATION FOR PUBLIC USE.

(a) Defines "nonprofit organization."

(b) Authorizes a municipality to a transfer to nonprofit organization, for consideration described by this section, real property or an interest in real property without complying with the notice and bidding requirements of Section 272.001(a), or other law.

(c) Requires consideration for the transfer authorized by this section to be in the form of an agreement between the parties that requires the nonprofit organization to use the property in a manner that primarily promotes a public purpose of the municipality. Provides that if the nonprofit organization at any time fails to use the property in that manner, ownership of the property automatically reverts to the municipality.

(d) Requires the municipality to transfer the property by an appropriate instrument of transfer. Requires the instrument to include certain a provisions.

SECTION 2. Effective date: upon passage or September 1, 2001.