

BILL ANALYSIS

Senate Research Center
80R8050 DRH-D

H.B. 2618
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current statute, counties are not authorized to lease property to other governmental entities for the purposes of joint ventures without completing a competitive bidding process. Other non-governmental entities or persons often bid on county property, frustrating the attempt of the county and the governmental entity to further a joint activity. While a commissioners court is authorized to reject all bids, the required competitive bidding process creates undue hardship and unnecessary expense on a county and a governmental entity seeking to lease the county's property.

H.B. 2618 authorizes counties to lease directly to a governmental entity without being required to comply with certain competitive bidding procedures.

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 272, Local Government Code, by adding Section 272.005, as follows:

Sec. 272.005. LEASE OF PROPERTY TO GOVERNMENTAL ENTITY. (a) Authorizes a political subdivision to promote a public purpose of the political subdivision by leasing property owned by the political subdivision to another political subdivision, a state agency, or the federal government, or to make an agreement to provide office space in property owned by the political subdivision to the other political subdivision or agency.

(b) Requires the political subdivision, in acting under Subsection (a), to determine the terms of the lease or agreement so as to promote and maintain the public purpose. Authorizes the political subdivision to provide for the lease of the property or provision of the office space at less than fair market value. Provides that the political subdivision is not required to comply with any competitive purchasing procedure or any notice and publication requirement imposed by this chapter or other law.

SECTION 2. Effective date: upon passage or September 1, 2007.