

BILL ANALYSIS

Senate Research Center
81R32729 NC-F

S.B. 2587
By: Estes
Agriculture & Rural Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

A municipality may wish to work out an agreement with a private entity for a future development, including the purchase of property from the U.S. government and infrastructure development. These agreements may require the developer to provide funds for the purchase of property and/or infrastructure. Because of the laws regarding the municipality's sovereign immunity, a private entity may be reluctant to enter into such an agreement, and thus the municipality would be denied a valuable development tool. In such cases, it may be in the municipality's best interest to be able to waive their sovereign immunity as it relates to specific performance.

This bill authorizes certain municipalities to waive their sovereign immunity under specific circumstances.

As proposed, S.B. 2587 relates to the waiver of sovereign immunity from certain suits by certain municipalities.

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 272.006, as follows:

Sec. 272.006. WAIVER OF IMMUNITY FROM CERTAIN SUITS BY CERTAIN MUNICIPALITIES. (a) Provides that this section applies only to a home-rule municipality with a population of less than 140,000.

(b) Provides that a municipality waives sovereign immunity from suit for the purpose of adjudicating a claim for breach of contract if the municipality enters into a contract with a private entity for the sale or conveyance of not less than 400 or more than 1,000 acres of land that was acquired by the municipality from an agency of the United States.

(c) Provides that a plaintiff who prevails in an action brought under this section against a municipality is entitled only to specific performance of the terms of the contract, reasonable attorney's fees, and costs of court.

SECTION 2. Provides that the change in law made by Section 272.006, Local Government Code, as added by this Act, applies only to a contract entered into on or after the effective date of this Act.

SECTION 3. Effective date: September 1, 2009.