

BILL ANALYSIS

C.S.H.B. 1884
By: Pena
Public Health
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The 80th Legislature, Regular Session, 2007, appropriated funds that authorized the Department of State Health Services (DSHS) to construct a primary care and substance abuse treatment facility in Hidalgo County. In order for DSHS to construct the facility, the property on which the facility was to be built had to be transferred to the state. On completion of the facility, currently scheduled for January 2010, the property must be transferred back to the county so that the county can operate the facility.

C.S.H.B. 1884 requires DSHS to transfer to Hidalgo County certain property to be used by the county in a manner that primarily promotes a public purpose of the state. The bill establishes provisions regarding the transfer, including requirements for the instrument of transfer and the reversion of the property under certain conditions.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1884 requires the Department of State Health Services (DSHS) to transfer to Hidalgo County all or part of state real property specifically identified by the bill, including the improvements affixed to the property and the mineral interest in and under the property, as soon as practicable after the completion of the construction of improvements on the property required for the provision of outpatient health care services under Chapter 1106 (H.B. 3504), Acts of the 76th Legislature, Regular Session, 1999, as amended by Chapter 1348 (S.B. 815), Acts of the 79th Legislature, Regular Session, 2005. The bill establishes that such a transfer does not obligate the county for any debt related to the property accrued before the transfer.

C.S.H.B. 1884 requires consideration for the transfer to be in the form of an agreement between the parties that requires the county to use the property in a manner that primarily promotes a public purpose of the state. The bill establishes that ownership of the property automatically reverts to DSHS if the county fails to use the property in that manner for more than 180 continuous days.

C.S.H.B. 1884 establishes that any restrictive conditions imposed by a deed transferring such property to the state recorded in the real property records of the county are binding on the transaction.

C.S.H.B. 1884 requires DSHS to transfer the property by deed without warranties regarding covenants of title. The bill requires the instrument of transfer to include a provision that indicates that any restrictive conditions imposed by a deed transferring such property to the state are binding on the transaction described by the instrument of transfer; requires the county to use the property in a manner that primarily promotes a public purpose of the state; and indicates that

ownership of the property automatically reverts to the entity that transferred the property to the county if the county fails to use the property in a manner that complies with such conditions imposed for more than 180 continuous days.

C.S.H.B. 1884 exempts the transfer from application of provisions relating to the management of surplus real property, the lease of real property, a report to the governor recommending real estate transactions, and real estate transactions authorized by the legislature.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1884 differs from the original by requiring, rather than authorizing, the Department of State Health Services to transfer certain property to Hidalgo County. The substitute changes the date by which the property is to be transferred from not later than May 31, 2010, as in the original, to as soon as practicable after the completion of the construction of improvements on the property required for the provision of outpatient health care services under other law. The substitute omits a provision in the original explicitly excluding from the transfer the mineral interest in and under the property.

C.S.H.B. 1884 omits provisions in the original specifying that the required use of the property to promote a public purpose be by using the property to provide primary care and substance abuse treatment.

C.S.H.B. 1884 omits a provision in the original establishing that the state reserves its interest in all oil, gas, and other minerals in and under the real property to be transferred, its right to remove from the property any oil, gas, and other minerals in and under the real property, and its right to grant leases held by the state before a conveyance of the property relating to the removal of oil, gas, and other minerals in and under the real property.