

BILL ANALYSIS

S.B. 1670
By: Nichols
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Several years ago, the Texas Department of Transportation (TxDOT) acquired large tracts of land throughout the state for possible use as rights-of-way for highway expansion projects. However, some land cannot be used for highway expansion and has been deemed surplus property by TxDOT. This land is held by TxDOT but can be sold to another public entity. However, under current law, TxDOT is only permitted to sell this property for fair market value, which often exceeds the original purchase price of the property by tens of thousands of dollars. There are several governmental entities across the state that could use this property for the public's benefit. One such entity is Polk County, which desires to build a community college.

S.B. 1670 requires TxDOT to transfer a certain tract of land to Polk County and requires Polk County to reimburse TxDOT for the actual price that TxDOT paid for the land. The bill specifies that if Polk County uses the land for something other than a public purpose, it must pay TxDOT fair market value for the land.

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

S.B. 1670 requires the Texas Department of Transportation (TxDOT) to transfer to Polk County the real property described by the bill, not later than September 30, 2009. The bill requires the county, on the effective date of the transfer, to pay an amount to reimburse TxDOT for TxDOT's actual costs to acquire the property. The bill establishes that if TxDOT cannot determine that amount, the amount is determined based on the average historical right-of-way acquisition values for right-of-way located in proximity to the property being transferred on the date of original acquisition of the property by TxDOT. The bill requires money received by TxDOT under the bill's provisions to be deposited in the state highway fund and used in the TxDOT district in which the property is located.

S.B. 1670 authorizes Polk County to use the property only for a purpose that benefits the public interest of Texas. The bill establishes that if the county uses the property for any other purpose, the county must pay to TxDOT an amount equal to the fair market value of the property on the date the county begins using the property for that other purpose, less the amount the county paid to TxDOT under the bill's provisions.

S.B. 1670 requires TxDOT to transfer the property by an appropriate instrument of transfer and sets forth requirements for the instrument of transfer based on the requirements described above. The bill requires TxDOT to retain custody of the instrument of transfer after the instrument of transfer is filed in the real property records of Polk County. The bill sets forth the metes and bounds of the real property to be transferred under the bill and requires the county to pay any transaction fees resulting from the transfer.

EFFECTIVE DATE

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