

By: Davis of Dallas

H.B. No. 782

A BILL TO BE ENTITLED

AN ACT

relating to a requirement that certain bond issuers obtain an appraisal of property that is to be purchased with bond proceeds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 252, Local Government Code, is amended by adding Section 252.051 to read as follows:

Sec. 252.051. APPRAISAL REQUIRED BEFORE PURCHASE OF PROPERTY WITH BOND PROCEEDS. A municipality may not purchase property wholly or partly with bond proceeds until the municipality obtains an independent appraisal of the property's market value.

SECTION 2. Subchapter C, Chapter 505, Local Government Code, is amended by adding Section 505.1041 to read as follows:

Sec. 505.1041. APPRAISAL REQUIRED BEFORE PURCHASE OF PROPERTY WITH BOND PROCEEDS. A Type B corporation may not purchase property for a project wholly or partly with bond proceeds until the corporation obtains an independent appraisal of the property's market value.

SECTION 3. The changes in law made by Sections 252.051 and 505.1041, Local Government Code, as added by this Act, apply only to the purchase of property on or after the effective date of this Act. The purchase of property before the effective date of this Act is governed by the law in effect when the property was purchased, and the former law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2011.