

BILL ANALYSIS

C.S.H.B. 3178
By: Anchia
Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that certain political subdivisions should have the authority to contract with a broker to lease or sell a tract of real property that is owned by the subdivision. C.S.H.B. 3178 seeks to provide for such authority.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 3178 amends the Local Government Code to authorize a political subdivision, other than a home-rule municipality or a county, to contract with a broker licensed under The Real Estate License Act to lease or sell a tract of real property that is owned by the political subdivision. The bill authorizes the political subdivision to pay a fee if a broker produces a ready, willing, and able buyer to purchase a tract of real property. The bill authorizes the political subdivision on or after the 30th day after the date the property is listed, if a contract requires a broker to list the tract of real property for sale for at least 30 days with a multiple-listing service used by other brokers in the county, to sell the tract of real property to a ready, willing, and able buyer who is produced by any broker using the multiple-listing service and who submits the most advantageous offer. The bill requires the political subdivision to post a notice of intent to sell the real property in a newspaper of general circulation, not less than once, at least 14 days before the date the political subdivision accepts an offer produced by a broker. The bill authorizes the political subdivision to sell a tract of real property under the bill's provisions without complying with certain requirements relating to the notice of sale or exchange of land by a political subdivision.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3178 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 272.001(a), Local Government Code, is amended.

SECTION 2. Chapter 272, Local Government Code, is amended by adding Section 272.007 to read as follows:

Sec. 272.007. BROKER AGREEMENTS AND FEES FOR SALE OF REAL PROPERTY. (a) In this section, "broker" means a person licensed as a broker under Chapter 1101, Occupations Code.

(b) A political subdivision may contract with a broker to lease or sell a tract of real property that is owned by the political subdivision.

(c) The governing body of a home-rule municipality may contract with a broker to sell a tract of real property that the municipality holds in trust and has the authority to sell.

(d) The political subdivision may pay a fee if a broker produces a ready, willing, and able buyer to purchase a tract of real property.

(e) If a contract made under Subsection (b) or (c) requires a broker to list the tract of real property for sale for at least 30 days with a multiple-listing service used by other brokers in the county, the political subdivision on or after the 30th day after the date the property is listed may sell the tract of real property to a ready, willing, and able buyer who is produced by any broker using the multiple-listing service and who submits the most advantageous offer.

(f) The political subdivision must post a notice of intent to sell the real property in a newspaper of general circulation, not less than once, at least fourteen days before the date the political subdivision accepts an offer produced by a broker.

(g) The political subdivision may sell a tract of real property under this section without complying with the requirements of Section 253.008, 263.001, or 272.001.

SECTION 3. Sections 253.014 and 263.008, Local Government Code, are repealed.

SECTION 4. This Act takes effect

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Chapter 272, Local Government Code, is amended by adding Section 272.007 to read as follows:

Sec. 272.007. BROKER AGREEMENTS AND FEES FOR SALE OF REAL PROPERTY BY CERTAIN POLITICAL SUBDIVISIONS. (a) In this section, "broker" means a person licensed as a broker under Chapter 1101, Occupations Code.

(b) A political subdivision, other than a home-rule municipality or a county, may contract with a broker to lease or sell a tract of real property that is owned by the political subdivision.

(c) The political subdivision may pay a fee if a broker produces a ready, willing, and able buyer to purchase a tract of real property.

(d) If a contract made under Subsection (b) requires a broker to list the tract of real property for sale for at least 30 days with a multiple-listing service used by other brokers in the county, the political subdivision on or after the 30th day after the date the property is listed may sell the tract of real property to a ready, willing, and able buyer who is produced by any broker using the multiple-listing service and who submits the most advantageous offer.

(e) The political subdivision must post a notice of intent to sell the real property in a newspaper of general circulation, not less than once, at least 14 days before the date the political subdivision accepts an offer produced by a broker.

(f) The political subdivision may sell a tract of real property under this section without complying with the requirements of Section 272.001.

No equivalent provision.

SECTION 3. Same as introduced version.

immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.