

## **BILL ANALYSIS**

C.S.H.B. 3436  
By: Rogers  
Land & Resource Management  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Constituents in House District 60 have raised concerns regarding the state's interest in certain property in Palo Pinto County owned by the Palo Pinto County Livestock Association. C.S.H.B. 3436 seeks to provide for the release of this interest by setting out a process for the release.

### **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. 3436 requires the Texas Military Department to determine the fair market value of certain real property in Palo Pinto County described by the bill that was transferred by the state to the City of Mineral Wells in 1953 to be used as a fair, livestock show, and rodeo ground. The bill requires the department also to determine the present fair market value of interests retained by the state in buildings, structures, and other property located or installed on the transferred property. The bill authorizes these fair market values to be established by an independent appraisal obtained by the department or by another means determined reasonable by the department if an independent appraisal of those values is not feasible.

C.S.H.B. 3436 requires the department to do the following:

- upon determining the fair market values, negotiate and close a transaction with the Palo Pinto County Livestock Association for the release of the state's reversionary interest in the transferred property and any other interest of the state in property located or installed on the transferred property;
- in negotiating and closing the transaction:
  - determine whether the state has received as consideration for the state's transfer of the property the fair market value of the property through the property's use since its transfer for a fair, livestock show, and rodeo ground in furtherance of a public purpose of the state, as provided by covenants imposed in consideration of the transfer; and
  - consider also whether the state has received sufficient additional consideration through that use to equal the present fair market value of property located or installed on the transferred property to which the state retains title; and
- if the department determines that the state has received the fair market value of the transferred property and any property located or installed on the transferred property,

release by appropriate instrument the state's reversionary interest in the transferred property and the state's interest in any property located or installed on the transferred property.

The bill authorizes the department to otherwise release those interests in exchange for sufficient monetary consideration, as determined by the department, to provide the remaining value owed to the state for the state's transfer of the property and for any property installed on the transferred property.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.

**COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 3436 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the entity responsible for taking the necessary actions under the bill that provide for the release of the state's interest in the specified property from the General Land Office, as in the introduced, to the Texas Military Department.