

BILL ANALYSIS

Senate Research Center
88R10042 KBB-F

H.B. 4415
By: Tepper (Perry)
Health & Human Services
5/16/2023
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In the 1990s, the Texas Legislature authorized the State of Texas, through the legacy Texas Department of Mental Health and Mental Retardation, to spend \$3,500,000 for the construction of a mental health facility in Lubbock County. The facility, known as Sunrise Canyon, was built and has been fully operational since 1996.

Lubbock Regional MHMR Center (d/b/a StarCare Specialty Health System), the local mental health authority for the Lubbock region, deeded the land upon which Sunrise Canyon was built to the State of Texas, with the intention that the improvement and land itself would be deeded back to Lubbock Regional MHMR Center when the bonded debt was defeased.

Lubbock Regional MHMR Center has been responsible for the management and upkeep of Sunrise Canyon for the entirety of its existence.

H.B. 4415 will transfer the land to Lubbock Regional MHMR Center. The legislation requires StarCare to use the property to provide community-based mental health, physical health, health-related, or intellectual and developmental disability services, a purpose that directly and in perpetuity benefits the public interest of the State of Texas. If at any point after the land transfer, the use of the land changes for 180 continual days for reasons other than natural disaster, renovation, construction, or emergency, then the land is to be transferred back to the state.

H.B. 4415 amends current law relating to the transfer of certain real property from the Health and Human Services Commission to the StarCare Specialty Health System.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. (a) Requires the Health and Human Services Commission (HHSC) to transfer the real property described by Section 2 of this Act to Lubbock Regional MHMR Center d/b/a StarCare Specialty Health System, including the improvements affixed to the property and excluding the mineral interests in and under the property, not later than November 30, 2023.

(b) Provides that consideration for the transfer authorized by Subsection (a) of this section is the requirement that StarCare Specialty Health System use the transferred property only to provide community-based mental health, physical health, health-related, or intellectual and developmental disability services, a purpose that benefits the public interest of the state.

(c) Provides that ownership of the property automatically reverts to HHSC if StarCare Specialty Health System fails to use the property in the manner described by Subsection (b) of this section for more than 180 continuous days after the transfer for reasons other than periods of renovation, construction, or other improvements, or due to an emergency or natural disaster.

(d) Requires HHSC to transfer the property by an appropriate instrument of transfer that:

(1) includes a provision that:

(A) requires StarCare Specialty Health System to use the property to provide community-based mental health, physical health, health-related, or intellectual and developmental disability services, a purpose that benefits the public interest of the state; and

(B) indicates that ownership of the property automatically reverts to HHSC if StarCare Specialty Health System fails to use the property for that public purpose as described by Subsection (c) of this section; and

(2) describes the property to be transferred by metes and bounds.

(e) Authorizes HHSC to execute an appropriate instrument to release and nullify the right of reverter described by Subsection (c) of this section if mutually agreed to by the parties, but only if HHSC makes a finding that consideration received through the use of the property as described by Subsection (b) of this section has sufficient cumulative value to equal or exceed the fair market value of the property at the time of the transfer.

(f) Provides that Sections 533.084 (Management of Surplus Real Property) and 533.087 (Lease of Real Property), Health and Safety Code, and Sections 31.1571 (Governor's Report), 31.158 (Real Estate Transactions Authorized by Legislature), and 31.159 (First Option to Purchase), Natural Resources Code, do not apply to the transfer of real property authorized by Subsection (a) of this section.

SECTION 2. Provides that the real property to which Section 1 of this Act applies is the real property title to which is held by HHSC consisting of the complex site of the Lubbock Psychiatric Hospital, doing business as Sunrise Canyon Hospital, situated primarily at 1950 Aspen Avenue, Lubbock, Lubbock County, Texas, constituting 8 acres of land and more particularly described as Tract A-MHMR Addition in a deed to the state recorded at Volume 4359, page 48 of the Deed Records of Lubbock County.

SECTION 3. Effective date: September 1, 2023.