

BILL ANALYSIS

S.B. 543
By: Blanco
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Local leaders in the City of El Paso have expressed interest in expanding the economic development tools at their disposal to make the city more competitive in attracting businesses. While state law provides multiple avenues through which a city can convey land for these purposes, they often involve lengthy processes that tend to deter companies from operating in Texas. Conveyance as part of an economic development agreement under an economic development program would allow the transfer of property to move much more quickly, providing the city with an additional economic development tool and making it more competitive in attracting business. S.B. 543 seeks to create more opportunities to bring businesses to the state by providing for the conveyance of land as part of an economic development agreement.

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

S.B. 543 amends the Local Government Code to authorize a municipality that has entered into an economic development agreement with an entity for the administration of an economic development program to transfer to that entity real property or an interest in real property for consideration. The bill sets out the following with respect to such a transfer:

- a provision establishing that consideration for such a transfer is in the form of an agreement between the parties that requires the entity to use the property in a manner that primarily promotes a public purpose of the municipality relating to economic development;
- a requirement that the transfer agreement include provisions under which the municipality is granted sufficient control to ensure that the public purpose is accomplished and the municipality receives the return benefit; and
- a prohibition on the transfer of the following:
 - real property or an interest in real property that the municipality owns, holds, or claims as a public square or park; and
 - real property acquired by the municipality from the previous owner by the exercise of eminent domain authority or the threat of the exercise of that authority.

S.B. 543 requires a municipality, before the municipality may transfer real property or an interest in real property under an agreement as provided by the bill, to provide public notice in a newspaper of general circulation in the applicable county or, if there is no such newspaper, by

another means authorized by municipal statute or ordinance. Such notice must include a description of the property, including its location; be provided within 10 days before the date the property or an interest in the property is transferred; and, if published in a newspaper, be published for two separate days within that period.

S.B. 543 clarifies that its provisions do not constitute a grant or expansion of eminent domain authority.

EFFECTIVE DATE

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