By: Ordaz H.B. No. 1492

A BILL TO BE ENTITLED

AN ACT

relating to the conveyance of property by a municipality for the public purpose of economic development.

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

SECTION 1. Chapter 253, Local Government Code, is amended by adding Section 253.0125 to read as follows:

Sec. 253.0125. CONVEYANCE TO CERTAIN ENTITIES FOR ECONOMIC DEVELOPMENT PURPOSES. (a) This section applies only to an entity and a municipality that have entered into an economic development agreement authorized by Chapter 380.

(b) Notwithstanding Section 253.008 or 272.001(a) or other law and except as provided by Subsection (d), a municipality may transfer to an entity real property or an interest in real property for consideration described by this section.

(c) Consideration for a transfer authorized by this section 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. The agreement must 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.

(d) A municipality may not transfer for consideration authorized by this section real property or an interest in real

property the municipality owns, holds, or claims as a public square or park.

(e) Before a municipality may transfer real property or an interest in real property under an agreement as provided by this section, the municipality must provide notice to the public published in a newspaper of general circulation in the county in which the property is located or, if there is no such newspaper, by any means for the municipality to provide public notice authorized by statute or by ordinance of the municipality. The notice must:

(1) include a description of the property, including its location;

(2) be provided within 10 days before the date the property or an interest in the property is transferred; and

(3) be published for two separate days within the period prescribed by Subdivision (2), if the notice is published in a newspaper.

(f) A municipality may not transfer real property for consideration described by this section if the property was acquired by the municipality from the previous owner by the exercise of eminent domain authority or the threat of the exercise of eminent domain authority. The prohibition provided by this subsection does not apply if:

(1) the municipality offers the previous owner an opportunity to repurchase the property at the current market value and the previous owner declines the offer; or

(2) the municipality cannot locate the previous owner with reasonable effort.

(g) This section does not constitute a grant or expansion of eminent domain authority.

SECTION 2. This Act takes effect 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, 2023.