

BILL ANALYSIS

Senate Research Center

S.B. 2139
By: King
Business & Commerce
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 1953, the State of Texas entered a contract with the city of Mineral Wells to transfer a parcel of property under the agreement that the land be used only for fairs, livestock shows, or rodeos. The deed contains a reversionary clause that mandates the transfer of land back to the state if the property is used for any other purpose. For the last seventy years, the land has been used only for its deeded purpose and has been under the jurisdiction of the Palo Pinto Livestock Association.

In recent years, due to rapid growth in the surrounding area, Palo Pinto County residents have expressed increased interest in using the land for purposes that would violate the reversionary clause.

Because the property was formerly a part of Camp Wolters, S.B. 2139 requires the Texas Military Department to determine the fair market value of the property, including buildings and structures the state has an interest in, and to negotiate and close a transaction with the Palo Pinto County Livestock Association for the release of the state's reversionary interest in the property.

S.B. 2139 amends current law relating to the authority of the Texas Military Department to negotiate the release of a reversionary interest and certain other interests of the state in certain property in Palo Pinto County owned by the Palo Pinto County Livestock Association.

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 Texas Military Department (TMD) to determine the fair market value of the property described in Section 2 of this Act on the date the property was transferred by the state to the City of Mineral Wells as provided by Senate Bill 197, Acts of the 53rd Legislature, Regular Session, 1953. Requires TMD to also 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 as required by that Act. Authorizes the fair market value of the transferred property and other property interests to be established by an independent appraisal obtained by TMD or by another means determined reasonable by TMD if an independent appraisal of that value is not feasible.

(b) Requires TMD, upon determining the fair market value of the property described in Section 2 of this Act and any buildings, structures, or other property located or installed on that property, as provided by Subsection (a) of this section, to negotiate and close a transaction with the Palo Pinto County Livestock Association for the release of the state's reversionary interest in the property described by Section 2 of this Act and any other interest of the state in buildings, structures, or other property located or installed on that property.

(c) Requires TMD, in negotiating and closing the transaction under Subsection (b) of this section, to determine whether the state has received as consideration for the state's transfer of the property described by Section 2 of this Act the fair market value of the

property, as determined under Subsection (a) of this section, through the property's use since its transfer for a fair, livestock show, and rodeo ground in furtherance of a public purpose of this state, as provided by covenants imposed in consideration of the transfer. Requires TMD to also consider whether the state has received sufficient additional consideration through that use to equal the present fair market value of buildings, structures, or other property located or installed on the property described by Section 2 of this Act to which the state retains title.

(d) Requires TMD, if TMD determines that the state has received the fair market value of the property described by Section 2 of this Act and any buildings, structures, or other property located or installed on that property, as determined under Subsection (a) of this section, by appropriate instrument to release the state's reversionary interest in the property described by Section 2 of this Act and the state's interest in any buildings, structures, or other property located or installed on that property. Authorizes TMD, otherwise, to release those interests in exchange for sufficient monetary consideration, as determined by TMD, to provide the remaining value owed to the state for the state's transfer of the property described by Section 2 of this Act and for any buildings, structures, or other property installed on that property.

SECTION 2. Provides that the real property to which Section 1 of this Act applies is situated in Palo Pinto County, Texas, and is described more particularly in a certain manner.

SECTION 3. Effective date: upon passage or September 1, 2025.