

LOCAL GOVERNMENT CODE

TITLE 8. ACQUISITION, SALE, OR LEASE OF PROPERTY

SUBTITLE A. MUNICIPAL ACQUISITION, SALE, OR LEASE OF PROPERTY

CHAPTER 253. SALE OR LEASE OF PROPERTY BY MUNICIPALITIES

Sec. 253.001. SALE OF PARK LAND, MUNICIPAL BUILDING SITE, OR ABANDONED ROADWAY. (a) Except as provided by Subsection (b), the governing body of a municipality may sell and convey land or an interest in land that the municipality owns, holds, or claims as a public square, park, or site for the city hall or other municipal building or that is an abandoned part of a street or alley. A sale under this section may include the improvements on the property.

(b) Land owned, held, or claimed as a public square or park may not be sold unless the issue of the sale is submitted to the qualified voters of the municipality at an election and is approved by a majority of the votes received at the election; provided, however, this provision shall not apply to the sale of land or right-of-way for drainage purposes to a district, county, or corporation acting on behalf of a county or district.

(c) To effect the sale, the governing body shall adopt an ordinance directing the municipality's mayor or city manager to execute the conveyance.

(d) The proceeds of the sale may be used only to acquire and improve property for the purposes for which the sold property was used. Failure to so use the proceeds, however, does not impair the title to the sold property acquired by a purchaser for a valuable consideration.

(e) Subsection (b) does not apply to a conveyance of park land that:

(1) is owned by a home-rule municipality with a population of less than 80,000 and that is located in a county bordering the Gulf of Mexico;

(2) is one acre or less;

(3) is part of a park that is 100 acres or less;

(4) is sold or is conveyed as a sale to the owner of adjoining property; and

(5) is conveyed pursuant to a resolution or an

ordinance that:

(A) is adopted under this section;

(B) requires the sale to be with an owner of adjoining property for fair market value as determined by an independent appraisal obtained by the municipality; and

(C) has an effective date before December 31, 1995.

(f) The election requirements of Subsection (b) do not apply to a conveyance of a park if:

(1) the park is owned by a home-rule municipality with a population of more than one million;

(2) it is a park of two acres or less;

(3) the park is no longer usable and functional as a park;

(4) the proceeds of the sale will be used to acquire land for park purposes;

(5) a public hearing on the proposed conveyance is held by the governing body of the home-rule municipality and that body finds that the property is no longer usable and functional as a park; and

(6) the park is conveyed pursuant to an ordinance adopted by the governing body of the home-rule municipality, unless within 60 days from the date of the public hearing the governing body of the home-rule municipality is presented with a petition opposing the conveyance which contains the name, address, and date of signature of no less than 1,500 registered voters residing within the municipal limits of the municipality; then, the governing body of the home-rule municipality shall either deny the conveyance or shall approve the conveyance subject to the election required in Subsection (b); or

(7) the conveyance involves an exchange of two existing parks, situated within a home-rule municipality with a population of more than one million, that together total 1.5 acres or less in size, that are located within 1,000 feet of each other, that are located in an industrial area, that have been found in a public hearing to no longer be usable and functional as parks, and that are conveyed pursuant to an ordinance, adopted by the

governing body of that municipality, that has an effective date before December 1, 1993.

(g) A sale made under Subsection (e) or (j) is exempt from the notice and bidding requirements in Chapter 272.

(h) Expired.

(i) Subsection (b) does not apply to a conveyance of park land that is:

(1) owned by a home-rule municipality with a population of more than 625,000;

(2) less than three acres and part of a larger park that is located in a flood plain or floodway;

(3) not actively used for recreational purposes;

(4) sold or conveyed as an interest in land to the owner of an interest in the adjoining property; and

(5) conveyed pursuant to a resolution or an ordinance that has an effective date before December 31, 2004.

(j) Subsection (b) does not apply to a conveyance of park land that is:

(1) owned by a home-rule municipality with a population of less than 100,000;

(2) one-third acre or less;

(3) part of a park that is five acres or less; and

(4) sold or conveyed as a sale to the owner of adjoining property as provided by a resolution or ordinance that has an effective date before December 31, 2007.

(k) A petition for the judicial review of the sale of park land under Subsection (j) must be filed on or before the 30th day after the date the ordinance or resolution is adopted. A petition filed after the period prescribed by this subsection is barred.

(l) Subsection (b) does not apply to a conveyance of park land owned by a home-rule municipality that:

(1) is located in a county with a population of more than three million; and

(2) has a population of more than 25,000 and less than 33,000.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 328, Sec. 14, eff. Sept. 1, 1989; Acts

1989, 71st Leg., ch. 597, Sec. 1, eff. Aug. 28, 1989; Acts 1993, 73rd Leg., ch. 179, Sec. 1, eff. May 17, 1993; Acts 1995, 74th Leg., ch. 344, Sec. 1, eff. Aug. 28, 1995; Acts 1997, 75th Leg., ch. 33, Sec. 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 62, Sec. 13.18, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 754, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 633 (H.B. 680), Sec. 1, eff. June 15, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 577 (H.B. 3352), Sec. 1, eff. June 17, 2011.

Sec. 253.002. TRANSACTIONS CONCERNING AN ISLAND, FLAT, OR SUBMERGED LAND. (a) A municipality may sell, convey, lease, or provide an option to all or a part of an island, flat, or submerged land the municipality owns and may make development plans and contracts for these purposes, at the times and on the terms that the governing body determines are proper and in the public interest, if the state or the Republic of Texas relinquished its interest in the land to the municipality before April 23, 1953.

(b) For a home-rule municipality the charter of which authorizes a referendum on such a transaction, the governing body may make the transaction without advertising or receiving bids, but the transaction may not take effect unless either it has been approved at a referendum ordered for that purpose or the period for the submission of a petition for a referendum on the transaction has expired.

(c) This section does not grant or convey to a municipality title to oil, gas, or other minerals.

(d) This section prevails over any conflicting charter provision of a home-rule municipality.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 253.003. PURCHASE AND SALE OF FEDERAL PROPERTY. (a) The governing body of a municipality with fewer than 10,000 inhabitants may purchase for municipal purposes any real property, including improvements on the property, that the federal government

offers for sale to the municipality.

(b) If the purpose for which property purchased under this section ceases to exist or if the property is no longer needed for the purpose, the governing body may sell and convey the property for the highest obtainable price.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 253.004. GRANT OR LEASE OF PROPERTY FOR JUVENILE BOARD. A home-rule municipality by grant or lease may donate to the county in which the municipality is located any unimproved land for use by a juvenile board of the county.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 253.005. LEASE OF OIL, GAS, OR MINERAL LAND. (a) Except as provided by Subsection (b), a municipality may lease oil, gas, or mineral land that it owns, in the manner and on the terms that the governing body of the municipality determines, for the benefit of the municipality. A lease under this section is not a sale under the law governing the sale of municipal land.

(b) A municipality may lease under this section a street, alley, or public square in the municipality if the lease prohibits the lessee from using the surface of the land for drilling, production, or other operations. In this subsection, "public square" does not include a dedicated public park.

(c) A well may not be drilled in the thickly settled part of the municipality or within 200 feet of a private residence.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 446 (H.B. [2333](#)), Sec. 1, eff. June 19, 2009.

Sec. 253.006. LEASE OF MUNICIPAL HOSPITAL OR SWIMMING POOL.

(a) The governing body of a municipality with a population of 65,000 or less may lease all or part of a hospital owned by the municipality, to be operated by the lessee as a public hospital.

(b) The governing body of any municipality may lease a swimming pool owned by the municipality, to be operated by the

lessee as a public swimming pool.

(c) A lease under this section must:

(1) be authorized by ordinance or resolution adopted by the governing body;

(2) be executed on behalf of the municipality by the mayor and the municipal secretary or clerk;

(3) be impressed with the municipal seal; and

(4) cover a period of not more than 50 years.

(d) A lease under this section is subject to the terms agreed to by the governing body and the lessee.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 253.007. SALE OR LEASE OF COMPUTER SOFTWARE BY CERTAIN MUNICIPALITIES. (a) This section applies only to a municipality that has a population of more than 5,000.

(b) A municipality that independently or in conjunction with any person develops automated information systems software may contract with a person for the sale, lease, marketing, or other distribution of the software. Any release of municipally developed automated information systems software must be under a contract that provides that the municipality will receive a royalty, license right, or other appropriate compensation for developing the software. The provisions of Chapter 552, Government Code, governing the cost of making copies of public records do not apply to automated information systems software subject to a contract under this section.

(c) In this section, "automated information systems software" means any procedure or software that is designed, operated, or maintained to collect, record, process, store, retrieve, display, or transmit information.

(d) Notwithstanding any other provision of this section, this section does not apply to the cost of production for public inspection or copying of public records collected, assembled, or maintained through use of the software, which cost is governed by Subchapter F, Chapter 552, Government Code, without regard to the cost of developing the software.

Added by Acts 1993, 73rd Leg., ch. 505, Sec. 1, eff. Aug. 30, 1993.

Amended by Acts 1993, 73rd Leg., ch. 428, Sec. 7, eff. Aug. 30, 1993; Acts 1995, 74th Leg., ch. 76, Sec. 5.95(88), (100), eff. Sept. 1, 1995.

Sec. 253.008. SALE OF REAL PROPERTY BY PUBLIC AUCTION. (a) The governing body of a municipality may sell real property owned by the municipality by public auction or by sealed bid under Section 272.001.

(b) To sell real property by public auction, the governing body of a municipality shall publish notice of the auction before the 20th day before the date the auction is held. The notice for sale of the real property must be published once a week for three consecutive weeks before the date the auction is held in a newspaper of general circulation in the county in which the municipality is located and, if the real property is located in another county, in a newspaper of general circulation in the county in which the real property is located. The notice must include a description of the real property, including its location, and the date, time, and location at which the auction is to be held.

Added by Acts 1993, 73rd Leg., ch. 206, Sec. 1, eff. Aug. 30, 1993. Renumbered from Local Government Code Sec. 253.007 by Acts 1995, 74th Leg., ch. 76, Sec. 17.01(39), eff. Sept. 1, 1995.

Sec. 253.009. CONVEYANCE OF ADJOINING PROPERTY TO MUNICIPAL DEVELOPMENT CORPORATION. (a) A municipality may convey to a municipally created economic development corporation, including a development corporation organized under the Development Corporation Act (Subtitle C1, Title 12), real property that has been conveyed by gift to the municipality or conveyed to the municipality as part of a legal settlement and that is adjacent to an area designated for development by the corporation.

(b) A municipality may convey property under Subsection (a) for any fair consideration approved by the governing body of the municipality. For a conveyance under this section to be effective, the governing body must adopt an ordinance that:

- (1) describes the property to be conveyed;
- (2) requires the conveyance to comply with the

requirements of Section 5.022, Property Code, except a covenant of general warranty is not required; and

(3) states the consideration paid.

(c) A municipality may convey the property under this section without complying with the other notice or bidding requirements prescribed by other law, including Section 272.001.

Added by Acts 1999, 76th Leg., ch. 1186, Sec. 1, eff. June 18, 1999.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.17, eff. April 1, 2009.

Sec. 253.010. SALE OF REAL PROPERTY TO CERTAIN NONPROFIT OR RELIGIOUS ORGANIZATIONS. (a) Notwithstanding any other provision of law, the governing body of a municipality may provide for the manner in which any land acquired by the municipality may be sold if the land is sold to:

(1) a nonprofit organization that develops housing for low-income individuals and families as a primary activity to promote community-based revitalization of the municipality;

(2) a nonprofit corporation described by 26 U.S.C. Section 501(c)(3) that:

(A) has been incorporated in this state for at least one year;

(B) has a corporate purpose to develop affordable housing that is stated in its articles of incorporation, bylaws, or charter;

(C) has at least one-fourth of its board of directors residing in the municipality; and

(D) engages primarily in the building, repair, rental, or sale of housing for low-income individuals and families; or

(3) a religious organization that:

(A) owns other property located in the municipality that is exempt from taxation under Section 11.20, Tax Code; and

(B) has entered into a written agreement with the municipality regarding the revitalization of the land.



(b) A municipality operating under this section may by ordinance determine the individuals and families who qualify as low-income individuals and families under Subsection (a)(1) or (2). In adopting an ordinance under this subsection, the municipality shall consider median income of individuals and median family income in the area.

Added by Acts 1995, 74th Leg., ch. 550, Sec. 1, eff. June 13, 1995. Amended by Acts 1997, 75th Leg., ch. 712, Sec. 1, eff. June 17, 1997; Acts 1999, 76th Leg., ch. 181, Sec. 1, eff. Aug. 30, 1999; Acts 1999, 76th Leg., ch. 817, Sec. 3, eff. Sept. 1, 1999. Redesignated from Tax Code, Sec. 34.015 and amended by Acts 2001, 77th Leg., ch. 1420, Sec. 18.005, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1430, Sec. 33, eff. Sept. 1, 2001.

Sec. 253.011. CONVEYANCE TO NONPROFIT CORPORATION FOR PUBLIC USE. (a) In this section, "nonprofit organization" means an organization exempt from federal taxation under Section 501(c)(3), Internal Revenue Code of 1986, as amended.

(b) This section does not apply to a municipality with a population of 1.9 million or more.

(c) A municipality may transfer to a nonprofit organization, for consideration described by this section, real property or an interest in real property without complying with the notice and bidding requirements of Section 272.001(a) or other law.

(d) Consideration for the transfer authorized by this section shall be in the form of an agreement between the parties that requires the nonprofit organization to use the property in a manner that primarily promotes a public purpose of the municipality. If the nonprofit organization at any time fails to use the property in that manner, ownership of the property automatically reverts to the municipality.

(e) The municipality shall transfer the property by an appropriate instrument of transfer. The instrument must include a provision that:

(1) requires the nonprofit organization to use the property in a manner that primarily promotes a public purpose of the municipality; and

(2) indicates that ownership of the property automatically reverts to the municipality if the nonprofit organization at any time fails to use the property in that manner.

(f) Provided, however, that if the real property to be transferred lies outside the municipality's corporate limits and outside the county where 80 percent of the municipality's residents reside, the municipality must obtain the consent of the county commissioners court in the county where the real property is located.

Added by Acts 2001, 77th Leg., ch. 784, Sec. 1, eff. Sept. 1, 2001.

Sec. 253.012. CONVEYANCE TO ECONOMIC DEVELOPMENT CORPORATION BY CERTAIN MUNICIPALITIES. (a) In this section, "economic development corporation" means a Type A corporation governed by Chapter 504 or a Type B corporation governed by Chapter 505.

(b) This section applies only to a municipality with a population of 20,000 or less.

(c) A municipality may transfer to an economic development corporation, for consideration described by this section, real property or an interest in real property without complying with the notice and bidding requirements of Section 272.001(a) or other law.

(d) Consideration for a transfer authorized by this section is in the form of an agreement between the parties that requires the economic development corporation to use the property in a manner that primarily promotes a public purpose of the municipality. If the economic development corporation at any time fails to use the property in that manner, ownership of the property automatically reverts to the municipality.

(e) The municipality shall transfer the property by an appropriate instrument of transfer. The instrument must include a provision that:

(1) requires the economic development corporation to use the property in a manner that primarily promotes a public purpose of the municipality; and

(2) indicates that ownership of the property automatically reverts to the municipality if the nonprofit

organization at any time fails to use the property in that manner.

(f) A municipality may not transfer property to an economic development corporation under this section if the municipality acquired the property through eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1158 (H.B. 3072), Sec. 1, eff. June 19, 2009.

Sec. 253.013. DONATION OF REAL PROPERTY OF NEGLIGIBLE OR NEGATIVE VALUE TO CERTAIN PRIVATE PERSONS. (a) This section applies only to:

(1) a municipality with a population greater than 150,000 and less than 200,000 that is located in three counties; and

(2) a municipality with a population greater than 65,000 and less than 90,000 that is located in a county in which part but not all of a military installation is located.

(b) The governing body of a municipality to which this section applies may determine that real property located inside the boundaries of the municipality and owned by the municipality is surplus real property of negligible or negative value if:

(1) the property is not improved, including by having a structure on it or by being paved;

(2) ownership of the property does not provide any identifiable positive benefit to the municipality in relation to the municipality's current needs;

(3) ownership of the property is not likely to provide any identifiable positive benefit to the municipality in relation to the municipality's future needs; and

(4) the cost of maintaining the property is a substantial burden to the municipality.

(c) The governing body of a municipality that makes a determination under Subsection (b) shall adopt written findings and conclusions regarding the determination made.

(d) The governing body of a municipality that makes a determination under Subsection (b) that certain real property is surplus real property of negligible or negative value may donate that property to a private person who owns property adjacent to the surplus real property of negligible or negative value.

(e) Section [272.001](#) does not apply to a conveyance of property authorized by this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 816 (H.B. [2584](#)), Sec. 1, eff. June 17, 2011.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 303 (H.B. [1427](#)), Sec. 1, eff. June 14, 2013.

Sec. 253.014. BROKER AGREEMENTS AND FEES FOR SALE OF REAL PROPERTY BY HOME-RULE MUNICIPALITY. (a) In this section, "broker" means a person licensed as a broker under Chapter [1101](#), Occupations Code.

(b) The governing body of a home-rule municipality may contract with a broker to sell a tract of real property that the municipality:

(1) owns; or

(2) holds in trust and has the authority to sell.

(c) The governing body may pay a fee if a broker produces a ready, willing, and able buyer to purchase a tract of real property.

(d) If a contract is made under Subsection (b) with a broker to list the tract of real property for sale for at least 30 days with a multiple-listing service, the governing body on or after the 30th day after the date the property is listed may sell the tract of real property to a ready, willing, and able buyer who is produced by any broker using the multiple-listing service and who submits the highest cash offer.

(e) The governing body may sell a tract of real property under this section without complying with the public auction requirements prescribed by Section [253.008](#) or other law or the notice and bidding requirements prescribed by Section [272.001](#) or other law.

Added by Acts 2013, 83rd Leg., R.S., Ch. 462 (S.B. [985](#)), Sec. 1, eff. June 14, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1110 (H.B. [3244](#)), Sec. 1, eff. June 19, 2015.