

HB 3061 STAFF MEASURE SUMMARY
Senate Committee On Business and General Government

Carrier: Sen. Linthicum

Action Date: 04/25/19
Action: Do pass.
Vote: 5-0-0-0
Yeas: 5 - Dembrow, Girod, Hass, Olsen, Riley
Fiscal: No fiscal impact
Revenue: Has minimal revenue impact
Prepared By: Tyler Larson, LPRO Analyst
Meeting Dates: 4/25

WHAT THE MEASURE DOES:

Allows political subdivision to convey real property to nonprofit, municipal, or private corporation for express purpose of providing broadband service. Requires instrument conveying real property include requirement that property be used to provide broadband and provision that reverses conveyance if property is not used in conformance with restriction. Allows political subdivision, by resolution, to waive and relinquish reversionary interest within 20 years of conveyance if determined to be in public interest. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Attempt to convey assets of foreclosed cable company from Klamath County to the City of Merrill for the provision of broadband service
- Need for clear authority to convey property for express purpose of providing broadband service

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

A "political subdivision" is any unit of local government with power to levy and collect taxes. Current statute allows a political subdivision to convey property not needed for public use to any governmental body provided the property will be used for at least 20 years for a public purpose. These transfers do not require the receiving body to give consideration beyond complying with conditions for use indicated in the conveyance. The conveyance must contain a reversionary clause which returns the property to the political subdivision if the recipient fails to use the property for the identified public purpose. Political subdivisions can also transfer property to a qualifying nonprofit or municipal corporation for low income housing, social services, child care services. Public property may also be conveyed to a nonprofit or municipal corporation for open space, parks, or natural areas for perpetual use.

House Bill 3061 adds providing broadband service to the purposes for which a political subdivision may convey property. The measure allows property to be conveyed to a nonprofit, municipal, or private corporation for the purpose of providing broadband service.

Under current law, a political subdivision may waive and relinquish any reversionary interest held on property transferred if the transfer occurred at least 20 years prior to the resolution to waive interest. House Bill 3061 allows a political subdivision to waive and relinquish interest within 20 years of the transfer if such action is determined to be in the public interest.