

pledge or mortgage, other than existing revenue bonds, refunding bonds, or other indentures for the release of existing revenue bonds, or to an encumbrance that did not exist on the date the lease or agreement was executed.

(b) A lease under this subchapter must specifically provide that the real property subject to the lease is not encumbered or mortgaged by the lease or by any agreement executed in connection with the lease.

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

§ 263.104. Lending Credit

A county executing a lease under this subchapter may not in any way lend its credit to an individual or a private corporation or association in connection with the lease.

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

§ 263.105. Conditions of Lease

(a) A lease under this subchapter may initially be effective for the term of a mortgage covering the construction of the hotel and related facilities. The lease may provide to the parties constructing, owning, or operating the hotel or related facilities an option to renew the lease.

(b) The lease must be made on a competitive bid. Consideration for the lease may not be less than the fair market lease value of the property and air rights being leased.

(c) The parties to the lease mutually shall determine the other conditions of the lease.

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

§ 263.106. Sale

(a) The commissioners court of a county may sell land owned by the county and the air rights above the land to an individual or a private corporation or association if:

(1) all existing revenue bond obligations encumbering the land have been fully discharged as to bondholders;

(2) a hotel has been built on the land in conjunction with an existing convention center and the hotel has been operated continuously for at least five years from its inception;

(3) the parties to an existing lease of land mutually agree to the sale of the land and the air rights; and

(4) the county receives an amount for the land and air rights that is fair under the market conditions existing at the time of the sale.

(b) The commissioners court may impose deed restrictions or reverts to preserve the use of the land for a purpose consistent with the construction, expansion, ownership, and operation of a hotel and related facilities in conjunction with a convention center.

(c) A sale of land under this subchapter may include land appurtenant to the land on which the hotel or related facilities have been built.

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

§ 263.107. Expenditure of Tax Funds

In an agreement authorized by this subchapter, the commissioners court of a county may spend tax funds consistent with state law but must limit each commitment or expenditure of tax funds associated with the agreement to an amount available from current revenues of the county.

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

SUBCHAPTER D. DISPOSITION OF SALVAGE OR SURPLUS PROPERTY

§ 263.151. Definitions

In this subchapter:

(1) "Salvage property" means personal property, other than items routinely discarded as waste, that because of use, time, accident, or any other cause is so worn, damaged, or obsolete that it has no value for the purpose for which it was originally intended.

(2) "Surplus property" means personal property that:

(A) is not salvage property or items routinely discarded as waste;

(B) is not currently needed by its owner;

(C) is not required for the owner's foreseeable needs; and

(D) possesses some usefulness for the purpose for which it was intended.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, § 61(b), eff. Aug. 28, 1989.

§ 263.152. Disposition

(a) The commissioners court of a county may:

(1) periodically sell the county's surplus or salvage property by competitive bid or auction; except