

# **Bond Case Briefs**

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## **IMMUNITY - TEXAS**

### **Wasson Interests, Ltd. v. City of Jacksonville**

**Supreme Court of Texas - October 5, 2018 - S.W.3d - 2018 WL 4838309**

Tenant of property on city's water reservoir brought action against city for breach of leases after city terminated leases and evicted tenant.

The Second Judicial District Court granted city's motion for summary judgment. Tenant appealed. The Court of Appeals affirmed. On review, the Supreme Court reversed and remanded. The Court of Appeals affirmed. Tenant petitioned for review, which was granted.

The Supreme Court of Texas held that:

- City's decision to lease its lakefront property to tenant was discretionary;
- City was acting primarily for the benefit of its own residents when it leased lake lots to private tenant;
- City was acting on its own behalf, and not that of the state, when it leased lake lots to private tenant;
- City's leasing of lakefront property was not essential to city's operation or maintenance of lake, and thus, was not governmental; and
- Governmental immunity did not operate to protect city from tenant's suit for breach of the lease agreements.

City's decision to lease its lakefront property to tenant was discretionary, for purposes of determining whether city acted in its governmental or proprietary capacity, and thus, was or was not entitled to immunity from tenant's suit for breach of lease agreement.

City was acting primarily for the benefit of its own residents when it leased lake lots to private tenant, for purposes of determining whether its actions were proprietary, and not subject to immunity from tenant's suit for breach of lease agreement, or governmental, and thus, entitled to immunity; city's primary objective was to develop lake and raise funds for city budget, primarily to benefit its own residents, and the very nature of the private lease agreements necessarily excluded the general public from benefiting from the premises.

City was acting on its own behalf, and not that of the state, when it leased lake lot to private tenants, for purposes of determining whether its actions were proprietary, and not subject to immunity from tenant's suit for breach of lease agreement, or governmental, and thus, entitled to immunity; the decision to lease the property was entirely discretionary and primarily benefited city residents, rather than the general public.

City's leasing of lakefront property was not essential to city's operation or maintenance of lake, and thus, was not governmental, for purposes of determining whether city was immune from tenant's suit for breach of lease agreement.

City was performing a proprietary function, not a governmental function, when it leased its lakefront

property to tenant, and thus, governmental immunity did not operate to protect city from tenant's suit for breach of the lease agreement; city's decision to lease its lakefront property was discretionary, city was acting for the benefit of its own residents, and on its own behalf, and not that of the State.