

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 896  
By: Shapleigh  
Finance  
4-21-97  
Committee Report (Substituted)

### **DIGEST**

Currently, state law prohibits the use of most state property for non-state purposes. This prohibition prevents most agencies from taking advantage of opportunities to generate non-tax revenue by leasing underused facilities.

Most state offices are used almost exclusively from 8:00 to 5:00, Monday through Friday. Moreover, new practices such as telecommuting, flex-time, and the co-location of agency facilities are reducing overall office space needs. In recent years, the legislature has directed state agencies to limit their amount of office space, which eliminated a significant amount of leased space by consolidating agencies in state-owned offices.

As a result of such efforts, some state facilities now have more idle space during non-business hours. Current law, however, restricts most agencies from making facilities such as meeting rooms, training rooms, and parking facilities available for short-term use by private or public non-state entities, either for free or for a fee.

This bill, incorporating Texas Performance Recommendation CG3, would direct the General Services Commission to conduct a pilot project to open certain state facilities to commercial use at times when they are not needed for state use.

### **PURPOSE**

As proposed, C.S.S.B. 896 requires the General Services Commission (commission) to establish a pilot program to develop private, commercial uses for state-owned parking lots and garages in the city of Austin; and requires the commission to prescribe rules relating to short-term leases of space to private tenants.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the General Services Commission under SECTION 2 (Section 2165.205(d), Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2165.203, Government Code, to prohibit the General Services Commission (commission), in offering space in a state-owned building under this section, from including contract provisions that would tend to diminish the value of the lease space of surrounding privately owned buildings.

SECTION 2. Amends Chapter 2165E, Government Code, by adding Section 2165.2035, as follows:

Sec. 2165.2035. PILOT PROGRAM. Requires the commission to establish a pilot program to develop private, commercial uses for state-owned parking lots and garages in the city of Austin in a certain area. Requires the commission to contract with a private vendor to manage the commercial use of state-owned parking lots and garages. Requires money used for a lease under this program to be deposited to the credit of the general revenue fund. Requires the commission, on or before December 1 of each even-numbered year, to submit a report to the legislature and the Legislative Budget Board describing the effectiveness of

the pilot program. Provides that the limitation on the amount of space allocated to private tenants prescribed by Section 2165.205(b) does not apply to the lease of a state-owned parking lot or garage under this section. Sets forth a requirement for any lease of a state-owned parking lot or garage under this section.

SECTION 3. Amends Section 2165.205, Government Code, to require the commission to prescribe rules relating to short-term leases with private tenants. Deletes text prohibiting the commission from leasing space to a private tenant for use as private office space. Authorizes the commission or a state agency with charge and control of a state building to enter into a short-term lease with a private tenant for the use of certain facilities, including conference rooms and training facilities. Deletes text regarding the allocation of space in a building to a private tenant by the commission. Makes conforming changes.

SECTION 4. Amends Section 2165.211, Government Code, to authorize, except as provided by Subsections (b) and (c), money received from a lease under Section 2165.203 or any other lease of a state-owned building under the commissioner's control under this subchapter to be used only for building and property services performed by the commission. Authorizes the use of one-half of the money received by the commission or a state agency with charge and control of a state building from a lease under Section 2165.205(c) to be used only for building and property services performed by the commission or the state agency. Provides that this section does not apply to a lease under Section 2165.2035.

SECTION 5. Amends Section 2166.102(c), Government Code, to require the master facilities plan to contain an examination of the location, size, and type of building space that is available for lease to private tenants, and an examination of the extent to which the state maximizes the use of existing buildings by leasing space to private tenants. Makes conforming changes.

SECTION 6. Emergency clause.  
Effective date: upon passage.

#### **SUMMARY OF COMMITTEE CHANGES**

##### SECTION 1.

Redesignates proposed SECTION 1 as SECTION 2. Sets forth a new SECTION 1.

##### SECTION 2.

Redesignated from SECTION 1. Amends Chapter 2165E, Government Code, to require the commission to establish a certain pilot program in the area bordered by West Fourth Street, Lavaca Street, West Third Street, and Nueces Street. Sets forth Subsections (e) and (f).

##### SECTION 3.

Amends proposed Section 2165.205, Government Code, to replace proposed Subsection (c) and remove proposed Subsection (d).

##### SECTION 4.

Amends Section 2165.211, Government Code, to authorize, except as provided by Subsections (b) and (c), money received from a lease under Section 2165.203 or any other lease of a state-owned building under the commission's control under this subchapter to be used only for certain purposes. Sets forth Subsections (b) and (c).