

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 803
By: Ellis
State Affairs
5/12/1999
Committee Report (Substituted)

DIGEST

Currently, of Texas' 170 million acres of land, state agencies own 873,000 acres, worth over \$1.6 billion. The most recent General Land Office appraisal determined that 25,633 acres of agency lands, worth \$652,710,000, was being substantially underused. State agency-owned lands are technically owned by the citizens of Texas, not by individual agencies. However, the agencies have no obligation to sell or lease the underused property, nor do they have an obligation to justify failure to comply with General Land Office recommendations regarding land transactions. This bill would require state agencies to submit certain reports regarding agency property.

PURPOSE

As proposed, C.S.S.B. 803 requires state agencies to submit certain reports regarding agency property, and authorizes them to comment on a draft report if the agency is the subject of such a report.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the asset management division of the General Land Office in SECTION 5 (Section 31.1572(e), Natural Resources Code), of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 31.153(a), Natural Resources Code, to require each state agency to provide the asset management division of the General Land Office (division) with a report on the status of real property owned or controlled by the agency, by a certain deadline.

SECTION 2. Amends Sections 31.155(a), (b), and (d), Natural Resources Code, to provide that certain duties do not apply to the real property of the Texas Historical Commission, and to delete text regarding the Texas National Research Laboratory Commission.

SECTION 3. Amends Sections 31.157(b) and (c), Natural Resources Code, to authorize certain agencies that own or hold trust property to make certain comments regarding a draft report. Requires the Commissioner of the General Land Office to issue a final report incorporating all comments received from any state agency. Sets forth information required to be in the report. Requires the commissioner to prepare a report addressing all comments received from the commissioner and the state agency that owns or controls certain property that is the subject of the report. Deletes text specifying the State Purchasing and General Services Commission.

SECTION 4. Amends Section 31.1571, Natural Resources Code, to require the state agency that owns or controls the property to notify the division of certain planned changes to the property, before a certain final authorization is given. Deletes text regarding Acts of the 71st Legislature, and makes conforming changes.

SECTION 5. Amends Chapter 31E, Natural Resources Code, by adding Section 31.1572, as follows:

Sec. 31.1572. REAL ESTATE TRANSACTION AUTHORIZED BY GOVERNOR. Requires a real estate transaction authorized by this section to be conducted as provided by this section. Authorizes a certain state agency to file comments or objections with the governor and the division, within a certain timeframe. Sets forth provisions for the authorization of a certain transaction, including governor disapproval. Sets forth conditions under which the division is required to take possession and control of the real property. Sets forth provisions for the payment

of certain fees incurred by the division. Authorizes the division to adopt rules relating to the payment of reasonable brokerage fees. Sets forth provisions for the dedication and deposition of transaction proceeds. Provides that this section does not apply to certain real estate transactions.

SECTION 6. Amends Section 31.158, Natural Resources Code, by adding Subsections (d), (e), and (f), to authorize the commissioner of the General Land Office (commissioner) to negotiate an amendment to the terms of certain agreements with the party whose bid or proposal was accepted, under certain conditions. Authorizes the division to negotiate and close the exchange transaction in a certain manner, under certain conditions. Authorizes the commissioner to offer a first option to purchase or lease real property owned or held in trust by the state to certain entities, under certain conditions.

SECTION 7. Repealer: Chapter 672, Acts of the 71st Legislature, Regular Session, 1989 (Article 5421t, V.T.C.S) (Transactions Involving State-Owned Property).

SECTION 8. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 9. Emergency clause.