

BILL ANALYSIS

Senate Research Center

H.B. 834
By: Flores (Carona)
State Affairs
5/6/2001
Engrossed

DIGEST AND PURPOSE

The efficiency of Texas' system for disposing of surplus property may be improved by selling the property through Internet auction sites, providing immediate postings that prevent property value depreciation, minimizing sales costs associated with hard-copy distribution of surplus property notifications, and minimizing storage costs associated with a required month-long advertising period. H.B. 834 requires the comptroller to advertise surplus property on the comptroller's web site, shortens the amount of time during which entities coordinate the transfer of property, and provides for the sale of property through Internet auction sites.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2175.121, Government Code, to require a state agency that determines it has surplus or salvage property to inform the General Services Commission (commission) and the comptroller of the property's kind, number, location, condition, original cost or value, and date of acquisition.

SECTION 2. Amends Chapter 2175C, Government Code, by adding Section 2175.1215 as follows:

Sec. 2175.1215. ADVERTISING ON COMPTROLLER WEBSITE. Requires the comptroller to advertise the property's kind, number, location, and condition on the comptroller's website not later than the second day after the date the comptroller receives notice from a state agency that the agency has surplus or salvage property.

SECTION 3. Amends Section 2175.122, Government Code, to require the commission to inform other state agencies, political subdivisions, and assistance organizations of the comptroller's web site that lists surplus and salvage property that is available for sale, rather than the commission receiving notice of surplus or salvage property and specifically informing certain entities of the property's kind, number, location, and condition.

SECTION 4. Amends Section 2175.123, Government Code, to authorize certain entities to coordinate directly with the reporting state agency for a transfer of the property during the 10 business days after the date the property is posted on the comptroller's website, rather than 30 days after the date the property is posted on the comptroller's website.

SECTION 5. Amends Section 2175.124, Government Code, as follows:

Sec. 2175.124. New heading: NOTICE OF TRANSFER TO COMPTROLLER; ADJUSTMENT OF APPROPRIATIONS AND PROPERTY ACCOUNTING RECORDS; REMOVAL FROM WEBSITE. Requires that, if property is transferred under this

subchapter, the participating entities report the transaction to the comptroller. Requires that the comptroller remove the property from the list of surplus and salvage property for sale on the comptroller's website not later than the second day after the date the comptroller receives notice of the transfer of said property. Makes conforming changes.

SECTION 6. Amends Section 2175.125, Government Code, to make conforming changes.

SECTION 7. Amends Chapter 2175D, Government Code, by adding Section 2175.181, as follows:

**SUBCHAPTER D. DISPOSITION OF SURPLUS OR SALVAGE
PROPERTY BY COMPETITIVE BIDDING**

Sec. 2175.181. **SALE USING INTERNET AUCTION.** Requires the commission, if a disposition of a state agency's surplus or salvage property is not made under Subchapter C, to sell the property using an Internet auction site and post the property on the Internet for at least 10 days. Authorizes the commission to set a minimum sales price for the property.

Section 2175.182. **DISPOSITION BY COMPETITIVE BIDDING OR AUCTION.** Authorizes, rather than requires, the commission, if a disposition of a state agency's surplus or salvage property is not made under Subchapter C or under Section 2175.181, to sell the property by competitive bid or auction or destroy the property as provided by Subchapter E, rather than delegate to the state agency authority to sell the property by competitive bidding.

Section 2175.183. **PURCHASER'S FEE.** Redesignates existing Section 2175.182 to Section 2175.183.

Section 2175.184. **ADVERTISEMENT OF SALE.** Redesignates existing Section 2175.183 to Section 2175.184. Makes conforming changes.

Section 2175.185. **REPORTING SALE; PROPERTY ACCOUNTING ADJUSTMENT.** Redesignates existing Section 2175.184 to Section 2175.185.

Section 2175.186. **PROCEEDS OF SALE.** Redesignates existing Section 2175.185 to Section 2175.186. Makes conforming changes.

Section 2175.187. **PURCHASER'S TITLE.** Redesignates existing Section 2175.186 to Section 2175.187.

SECTION 8. Amends Chapter 2175G, Government Code, by adding Section 2175.373, as follows:

Sec. 2175.373. **STATE AGENCY PROPERTY NEEDS.** Requires the commission to create a list of property needed by state agencies authorized to be acquired through the federal surplus property program.

SECTION 9. Effective date: September 1, 2001.