

**BILL ANALYSIS**

Senate Research Center  
77R4007 BDH-D

S.B. 1604  
By: Staples  
State Affairs  
4/4/2001  
As Filed

**DIGEST AND PURPOSE**

Currently, the state does not have a means to determine how much real property it owns, nor the value of such property in today's market because of a lack of critical data, the absence of accountability measures for the ownership and use of these properties, and a lack of incentives necessary to encourage efficient and effective management. As proposed, S.B. 1604 provides a budget mechanism known as a capital charge to encourage the strategic use of state-owned real properties. The capital charge is an assessment against a portion of an agency's property value, to be offset by an allowance, in each biennial appropriations bill.

**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 Title 10E, Government Code, by adding Chapter 2206, as follows:

CHAPTER 2206. USE AND MANAGEMENT OF STATE PROPERTY; CAPITAL CHARGES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2206.001. DEFINITIONS. Defines "capital charge" and "real property."

[Reserves Sections 2206.002-2206.010 for expansion]

SUBCHAPTER B. INFORMATION ON REAL PROPERTY

Sec. 2206.011. CONSOLIDATED REAL PROPERTY DATABASE. Requires the General Land Office, the General Services Commission, and the comptroller to perform certain functions.

Sec. 2206.012. REPORT ON REAL PROPERTY; REQUIREMENTS. (a) Requires each state agency to submit to the General Land Office, on a quarterly basis and in a format and manner determined by the General Land Office, certain information on any real property owned by the agency

(b) Requires the General Land Office to provide the information under this section to the comptroller. Requires the General Land Office, on request, to provide the information to the General Services Commission and the Legislative Budget Board.

(c) Authorizes the Legislative Budget Board to request from the General Land Office a detailed analysis containing certain information.

(d) Requires the comptroller to modify any accounting systems of the comptroller's office as necessary to accept and translate data received under this section.

[Reserves Sections 2206.013-2206.020 for expansion]

#### SUBCHAPTER C. CAPITAL CHARGES

Sec. 2206.021. CAPITAL CHARGE ON REAL PROPERTY. (a) Requires each state agency, during September of each state fiscal year, to pay to the state a capital charge in a certain amount on real property owned by the agency.

(b) Authorizes the Legislative Budget Board to assess a different value to real property owned by a state agency from the value submitted by the agency under Subsection (a).

(c) Prohibits a state agency from receiving legislative appropriations to pay certain capital charges under this section.

Sec. 2206.022. PROCEEDS FROM SALE OF REAL PROPERTY. Requires the proceeds from a state agency's sale of real property owned by the agency, notwithstanding any other provisions of this code, to be used to pay any existing capital charges, and requires at least 60 percent of any remaining amount to be credited to the agency's budget, as determined by the Legislative Budget Board.

SECTION 2. (a) Requires each state agency, not later than December 1, 2001, to submit to the General Land Office the agency's first report on real property owned by the agency, as required by Section 2206.012, Government Code, as added by this Act.

(b) Requires the General Land Office, the General Services Commission, and the comptroller of public accounts, not later than September 1, 2002, to each adopt certain reporting standards.

(c) Requires a state agency required to submit a report under Section 2206.012, Government Code, as added by this Act, not later than September 1, 2003, to determine the appraised value or estimated market value of any real property owned by the agency. Authorizes an agency to contract with the General Land Office to perform an appraisal or estimate.

SECTION 3. Provides that a state agency is not required to comply with the requirement imposed by Section 2206.021, Government Code, as added by this Act, relating to the payment of a capital charge, before September 1, 2003.

SECTION 4. Effective date: September 1, 2001.