

BILL ANALYSIS

Senate Research Center
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S.B. 1672
By: Jackson
Natural Resources
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DIGEST AND PURPOSE

The Asset Management Division of the General Land Office (division) is governed by Chapter 31 of the Natural Resources Code. Those statutes have been repeatedly modified by the legislature to reflect new duties and changes in state real property management practices. Most of these modifications are procedural and are found throughout Chapter 31, Texas Natural Resources Code. As proposed, S.B. 1672 reorganizes and consolidates provisions in Chapter 31 related to the duties and responsibilities of the division.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the asset management division in SECTION 7 (Section 31.1572, Natural Resources Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 31.153, Natural Resources Code, by adding Subsections (d) and (e), to require the agency, if a state agency intends to dispose of or change the use of real property possessed by the agency and determined by the division to be used or underused, to notify the asset management division of the General Land Office (division) not later than a certain date of the proposed disposition or change, including before any proposed improvement, development, lease, or sale of the property. Requires each state agency, not later than January 31 annually, to report to the division about certain criteria as determined by the division. Requires the report to include certain information.

SECTION 2. Amends Section 31.155, Natural Resources Code, by amending Subsections (a), (b), and (d), to provide that the duty under this subchapter of the division to review and verify real property records and to make recommendations regarding property and of the Commissioner of the Land Office (commissioner) to prepare a report involving real property does not apply to certain real property criteria. Deletes text regarding the Texas National Research Laboratory Commission. Makes a conforming change and a nonsubstantive change.

SECTION 3. Amends Sections 31.156 (a) and (b), Natural Resources Code, to require the division to review and verify the accuracy of the real property inventory of each state agency not less often than every four years, and to require a review to be made not later than one year, rather than during calendar year, before the date the agency is scheduled for abolition under the Texas Sunset Act (Chapter 325, Government Code). Deletes text authorizing the division to verify the accuracy of inventory records. Deletes text requiring the division to solicit proposals.

SECTION 4. Amends the heading of Section 31.157, Natural Resources Code, to read as follows:

Sec. 31.157. EVALUATION REPORT.

SECTION 5. Amends Sections 31.157(b) and (c), Natural Resources Code, to require the report to be submitted for review to each agency that owns or holds in trust property that is the subject of the draft report and to the Texas Department of Housing and Community Affairs, which is required to

evaluate the suitability of the property for affordable housing. Authorizes each agency, rather than the General Services Commission (commission), to comment on any findings or recommendations made by the commissioner and to make additional recommendations regarding the use of the property. Requires each agency, rather than the commission, to complete the review of the draft report not later than the 60th day after the date, rather than within 60 days, of receipt of the report and forward the comments to the commission. Makes a change in reference to the General Services Commission. Deletes text regarding time the report is furnished to the commission. Deletes text regarding the Texas Department of Housing and Community Affairs. Deletes text regarding the use of property by another state agency and addressing comments. Makes a conforming change.

SECTION 6. Amends Section 31.1571, Natural Resources Code, as follows:

Sec. 31.1571. New heading: RECOMMENDATION REGARDING DISPOSITION OF UNUSED OR UNDERUSED PROPERTY. Authorizes the commissioner, if the commissioner reports under Section 31.157 that an item of real property is unused or underused, to make a written recommendation to the governor for disposition of the property through a real estate transaction. Authorizes the state agency that possesses the property, not later than the 60th day after the date the governor receives a written recommendation for a real estate transaction under Subsection (a), to submit to the governor and the division a comment regarding or objection to the recommendation.

Provides that notwithstanding any other law, after the division has reported a property unused or underused under Section 31.156 and the commissioner has made a recommendation to the governor under Section 31.157 for disposition of the property through a real estate transaction, the state agency that possesses, rather than owns or controls, the property is prohibited from developing, selling, or otherwise disposing of the property before the earlier of certain dates. Authorizes the commissioner to conduct the recommended real estate transaction unless the governor gives the commissioner written notice of disapproval not later than the 90th day after the date the governor receives the recommendation. Requires the division, not later than the 30th day after the governor approves or is considered to have approved a recommended real estate transaction for real property under this section, to provide the Texas Department of Housing and Community Affairs with an appraisal of the property for evaluating the suitability of the property for affordable housing. Deletes text regarding a state agency submitting to the governor a general development plan for land the agency controls or owns. Makes conforming and nonsubstantive changes.

SECTION 7. Amends Chapter 31E, Natural Resources Code, by adding Section 31.1572, as follows:

Sec. 31.1572. REAL ESTATE TRANSACTION AUTHORIZED OR CONSIDERED TO BE AUTHORIZED BY GOVERNOR. Provides that this section applies to a real estate transaction authorized under Section 31.1571. Provides that this section does not apply to a real estate transaction involving real property that the division is not required to review under this section. Requires the division, in conducting a real estate transaction, to perform certain procedures. Authorizes any expenses incurred by the division in conducting a real estate transaction, including the payment of reasonable brokerage fees, to be deducted from the proceeds of the transaction before the proceeds are deposited under this section. Authorizes the division to adopt rules relating to the payment of reasonable brokerage fees. Requires the proceeds, unless the proceeds of the real estate transaction are dedicated by the constitution of this state, to be deposited to certain areas.

Authorizes money deposited under this section to be appropriated only to the affected agency.

SECTION 8. Amends Section 31.158, Natural Resources Code, by adding Subsections (d) and (e), to authorize the commissioner to offer to a lessee of the state the first option for a real estate transaction involving real property under this section if certain conditions are met. Authorizes the division, if the commissioner determines that an exchange of real property is in the best interest of the state, to negotiate and complete an exchange transaction in the manner provided for the trade of land dedicated

to the permanent school fund.

SECTION 9. Repealer: Section 31.156(e) (Division is required to furnish an appraisal to the Texas Department of Housing and Community Affairs), Natural Resources Code.

Repealer: Chapter 31I (Real Estate Transaction Not Authorized By Legislature), Natural Resources Code.

Repealer: Section 51.294 (Forms for Grant), Natural Resources Code.

SECTION 10. Effective date: September 1, 2001.