

BILL ANALYSIS

H.B. 957
By: Pickett
Land & Resource Management
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The General Land Office is responsible for the review and analysis of the utilization of state agency real property every four years. The Asset Management Division reviews on a rotating basis 25% of all state agencies real property and produces an asset specific report annually. Presently, law requires the Division to make an analysis of each asset's "highest best use" and also must include the market value of the real estate. Market value is defined as "the value of real property as determined by an appraisal of the real property as performed by an appraiser." For each property that is identified as not being used or as being substantially underused, a recommendation shall be made by the Division to the Commissioner regarding the use of the property or regarding a real estate transaction involving the property.

While appraisals should be required when the General Land Office or a state agency sells a piece of real property most of the state assets reviewed annually are determined to be fully utilized by the state. Many of these properties, such as office buildings in the Capitol Complex, will never be considered underutilized and will never be considered for sale.

The purpose of H.B. 957 is to change the law to allow for only the inclusion of evidence of value as the Commission deems appropriate for property that is not recommended for a transaction.

RULEMAKING AUTHORITY

It is the opinion of the committee that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

ANALYSIS

SECTION 1. Amends Section 31.156(d), Natural Resources Code, to allow the General Land Office to provide evidence of value as deemed appropriate by the Commissioner in lieu of a full appraisal on real property not recommended for a transaction.

SECTION 2. Effective Date.

EFFECTIVE DATE

Effective date is September 1, 2005 or immediately if approved by two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution.