

BILL ANALYSIS

C.S.H.B. 2404
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Government Efficiency & Reform
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Observers report that certain policy allows some state employees to live in free or reduced-rate state housing and that school districts, which fund a significant portion of their operations and maintenance revenue through local property tax revenue, do not receive any fiscal benefit from this arrangement. Interested parties note that legislation is needed to require the General Land Office to determine the fair market value of state-owned housing that is provided free or at a reduced rate to an employee and to establish requirements for the payment of a monthly privilege fee by each state employee living in such housing to the school district in which the state-owned housing is located. C.S.H.B. 2404 seeks to address this issue by making statutory changes relating to the imposition of a privilege fee for state-owned housing provided to certain state employees by a state agency.

RULEMAKING AUTHORITY

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

ANALYSIS

C.S.H.B. 2404 amends the Natural Resources Code to require the General Land Office, not later than September 1 of each year, to determine the fair market rental value of state-owned housing provided to a state employee by a state agency and to notify each state agency that provides state-owned housing to state employees of the fair market rental value of the employee housing provided by that state agency.

C.S.H.B. 2404 requires a state agency that provides state-owned housing to a state employee and does not recover 100 percent of the housing's determined fair market rental value from the employee to require as a condition of occupancy that the employee remit a monthly privilege fee to the school district in which the state-owned housing is located not later than the first day of each month that the employee occupies the housing. The bill sets the monthly privilege fee at 20 percent of the difference between the fair market rental value of the housing provided to an employee and the amount, if any, paid by the employee for the housing. The bill requires a state agency to remove an employee required to make a monthly privilege fee from the state housing occupied by the employee immediately if the employee does not remit the fee by the third day of the month.

C.S.H.B. 2404 exempts from the bill's provisions the Governor's Mansion, the State Capitol, state employee dormitory housing, and the real property of an institution of higher education, the Employees Retirement System of Texas, the Teacher Retirement System of Texas, or real property that is part of a fund created or specifically authorized by the Texas Constitution and that is administered by or with the assistance of the General Land Office.

C.S.H.B. 2404 makes its provisions applicable to a monthly privilege fee due on or after October 1, 2011.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2404 contains a provision not included in the original exempting from the bill's provisions the real property of an institution of higher education, the Employees Retirement System of Texas, the Teacher Retirement System of Texas, or real property that is part of a fund created or specifically authorized by the Texas Constitution and that is administered by or with the assistance of the General Land Office. The substitute differs from the original by making a nonsubstantive change and a technical correction to a citation.