

Amend SB 211 by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 2165.056(a), Government Code, is amended to read as follows:

(a) The commission may, at a state agency's request, exercise the powers and duties given to the commission by this subchapter and Subchapters A, D, E, and F, on or with respect to any property owned or leased by the state. The commission shall exercise the powers and duties granted to the commission under Subchapter I on or with respect to real property of the state and perform all acts and duties relating to public real property of the state or the rights of individuals with respect to public real property as required by law.

SECTION _____. Subchapter B, Chapter 2165, Government Code, is amended by adding Sections 2165.0561 and 2165.0562 to read as follows:

Sec. 2165.0561. AUTHORITY TO CONDUCT CERTAIN REAL ESTATE TRANSACTIONS. (a) Any real property owned by the state that the legislature has authorized or the governor has approved under Subchapter I may be directly sold or leased by the commission to a political subdivision or a development corporation organized under Chapter 501, Local Government Code, if the commission determines the real estate transaction is in the best interest of the state.

(b) The governor must approve any sale of real property, not later than the 30th day after the date the governor receives notice of the proposed sale under this section. Failure of the governor to expressly approve the sale constitutes a veto of the transaction.

(c) A real estate transaction under this chapter must be for market value and under other terms and conditions the commission determines to be in the best interest of the state.

Sec. 2165.0562. STANDING TO ENFORCE RESTRICTIONS. (a) The commission and the attorney general have standing to enforce a:

(1) restrictive covenant affecting real property owned by a state agency;

(2) restriction expressed in a transfer document or legislative act conveying real property then owned by the state; or

(3) statutory restriction on the sale or lease of real property patented or leased by the state to a navigation district, including a restriction provided by Section 61.116 or 61.117, Water Code.

(b) The attorney general, on the attorney general's own initiative or at the request and on behalf of the commission, may bring suit to enforce the rights of the state under this section.

(c) This section does not apply to:

(1) permanent school fund land;

(2) permanent university fund land; or

(3) other real property controlled or administered by the board of regents of The University of Texas System.

SECTION _____. Chapter 2165, Government Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. COMPREHENSIVE REAL PROPERTY PLANNING, MANAGEMENT, ACCOUNTING, AND REPORTING

Sec. 2165.401. PURPOSES OF SUBCHAPTER. The intent and purposes of this subchapter are to:

(1) consolidate and coordinate all duties, efforts, requirements, and reports related to:

(A) statewide long-range planning for facilities and real property currently owned by the state and facilities and real property needed for the future operation of state government as required by this chapter and Chapter 2166;

(B) the life-cycle management of certain public buildings, grounds, and property, including real estate management, construction management, facilities management, and property management;

(C) statewide accounting, evaluation, and reporting regarding certain public buildings, grounds, and property;

(D) the acquisition of real property for state purposes subject to the limitations and requirements provided by Sections 2166.052(a), 2166.251, 2166.452, and 2166.453 and Chapter 2267;

(E) the disposition of real property owned by the state subject to the limitations and requirements provided in

Sections 2165.410, 2165.411, and 2166.052(b); and

(F) the design and construction of public facilities necessary to support the current and future operations of state government;

(2) ensure the efficient and orderly development of the state building program so that the necessary working space in state-owned facilities does not fall behind or precede, to any considerable degree, the actual need for the space;

(3) avoid excessive and long-term reliance on facilities leased from private entities under Chapter 2167 due to insufficient and untimely planning for the construction or acquisition of state-owned facilities;

(4) avoid long-term facility-related rental costs that may be applied to construct or acquire state-owned facilities;

(5) prevent the sale, lease, or other disposition of real property owned by the state that conflicts with:

(A) the strategic facility plan and state building program as necessary to serve the space needs of current and future state government; or

(B) the historical integrity or significance of state property; and

(6) ensure that sufficient oversight and controls are in place so that the legislative intent and public purposes of the state building program are met.

Sec. 2165.402. DEFINITIONS. In this subchapter:

(1) "Appraiser" means a state-certified or state-licensed real estate appraiser who:

(A) is employed by or contracts with the commission; and

(B) performs professional valuation services in a manner that is independent, impartial, and objective.

(2) "Comprehensive agreement" has the meaning prescribed by Section 2267.001.

(3) "Contracting person" means an individual, corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, nonprofit entity, or other business entity that enters

into a comprehensive agreement, contract, or lease with the commission under this chapter.

(3) "Exchange" means an exchange of equal value or an exchange of real property accompanied by consideration.

(4) "Governor's real property report" means the report prepared by the commission under Section 2165.409.

(5) "Highway right-of-way" means all land acquired and owned by the Texas Department of Transportation that is cleared, graded, or paved for public transportation.

(6) "Institution of higher education" means the Texas State Technical College System, the Southwest Collegiate Institute for the Deaf, or an institution of higher education, excluding a public junior college, as defined by Section 61.003, Education Code.

(7) "Market value" means the price at which real property would transfer for cash or its equivalent under prevailing market conditions if:

(A) the real property is exposed for sale for a reasonable time in a competitive and open market under conditions necessary for a fair real estate transaction;

(B) the parties to the transaction act prudently and are knowledgeable of all the uses and purposes to which the real property is adapted and for which the real property is capable of being used and of the enforceable restrictions on its use; and

(C) the parties seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

(8) "Political subdivision" means a municipality, county, public school district, levee improvement district, municipal utility district, or any other special purpose district authorized by state law.

(9) "Public purpose" means a governmental action or direction that purports to benefit the people of this state as a whole.

(10) "Real estate transaction" means a sale, lease, trade, exchange, gift, grant, or other conveyance of a real property interest.

(11) "Real property" means land and generally the improvements that are constructed, erected, or affixed to the land.

(12) "Real property evaluation report" means the annual report prepared by the commission under Section 2165.406.

(13) "Real property owned by the state" means any interest in real property, excluding mineral interests held by the General Land Office, owned by the state or a state agency, including real property held in trust by a state agency.

(14) "State agency" means a board, commission, department, institution, office, or other agency of state government, including an institution of higher education but excluding a special purpose district or authority.

(15) "Strategic facilities plan" means the comprehensive long-range strategic facilities plan prepared under Section 2165.406.

Sec. 2165.403. REAL PROPERTY ACCOUNTING AND RECORDS. (a) All real property owned by the state shall be accounted for by the state agency that possesses the real property.

(b) Each state agency shall maintain a record of each item of real property the agency possesses. The record must include the following information and shall be furnished to the commission:

(1) a description of each item of real property by reference to a volume number and page or image number or numbers of the official public records of real property in a particular county, or if not applicable, by a legal description;

(2) the date of purchase of the real property, if applicable;

(3) the purchase price of the real property, if applicable;

(4) the name of the state agency having record title to the real property;

(5) a description of the current uses of the real property and of the projected future uses of the real property; and

(6) a description of each building or other improvement located on the real property.

(c) If the description of real property required under this section is excessively voluminous, the commission may direct the

agency in possession of the real property to provide the description only in summary form, as agreed to by the commission and the state agency involved.

(d) Each state agency, other than an institution of higher education, annually at the time set by the commission, shall furnish the Texas Historical Commission with a photograph and information that specifies and identifies the age of each building:

(1) that was acquired by the agency after the date of the preceding annual submission and that is at least 45 years old on the date of the current submission; or

(2) that is possessed by the agency and has become 45 years old since the date the information was previously submitted.

(e) On request, each state agency shall provide the commission with any photographs and information furnished to the Texas Historical Commission under this section.

Sec. 2165.404. REAL PROPERTY INVENTORY; RULES. (a) The commission shall review and keep inventory records of all real property owned by the state. The commission shall compile the inventory records from the information submitted under Sections 2165.403 and 2165.405.

(b) The commission may adopt and enforce rules necessary to perform its duties and functions under this subchapter.

Sec. 2165.405. SPECIAL STATUS OF CERTAIN STATE AGENCIES AND CERTAIN REAL PROPERTY. (a) The commission is not responsible for maintaining the inventory records, as provided by Section 2165.404, of the real property administered by the Texas Department of Transportation, an institution of higher education, the Employees Retirement System of Texas, or the Teacher Retirement System of Texas. The agencies administering the real property shall maintain those records.

(b) The Texas Department of Transportation, on the request of the commission, shall submit its real property inventory records to the commission. The real property inventory records of an institution of higher education, the Employees Retirement System of Texas, and the Teacher Retirement System of Texas, on the request of the commission, but not more frequently than semiannually, shall be submitted to the commission for informational purposes only. The

commissioner of the General Land Office shall maintain the inventory records of the former Texas National Research Laboratory Commission, to the extent possible, and is responsible for the disposal of any real property interests held by the former commission as provided by Subchapter G, Chapter 31, Natural Resources Code.

(c) The commission may review and verify the records of the Texas Department of Transportation and make recommendations regarding the department's real property.

(d) The commission shall prepare an inventory of its real property.

(e) The commission's duty under this subchapter to review and verify real property records and to make recommendations regarding real property and to prepare a report involving real property does not apply to:

(1) the real property of an institution of higher education;

(2) the real property that is part of a fund created or specifically authorized by the constitution of this state and that is administered by the General Land Office;

(3) the real property of the Employees Retirement System of Texas; and

(4) the real property of the Teacher Retirement System of Texas.

(f) The commission's duty to make recommendations regarding real property and to prepare a report involving real property under this subchapter does not apply to:

(1) the real property of the Texas Historical Commission;

(2) the real property comprising the Alamo;

(3) the real property comprising the French Legation;

(4) the real property comprising the Governor's Mansion;

(5) the real property comprising the Texas State Cemetery, more specifically described as 17.376 acres located at 801 Comal, Lot 5, Division B, City of Austin, Travis County, Texas;

(6) the real property administered by the State

Preservation Board; and

(7) highway rights-of-way owned by the Texas Department of Transportation.

Sec. 2165.406. COMPREHENSIVE REAL PROPERTY EVALUATION AND STATEWIDE STRATEGIC FACILITY PLANNING AND REPORTING. (a) The commission shall conduct statewide evaluations of the space usage and space requirements of state agencies as required by Section 2165.104, and evaluations of the real property owned by the state as required under Section 2165.407. Based on and in consideration of the findings of the evaluations, for state agencies that obtain space under Chapter 2166, 2167, or 2267, the commission shall prepare and adopt a comprehensive long-range strategic facilities plan that includes the capital improvement plans and deferred maintenance plans required under Section 2166.108.

(b) The strategic facilities plan is a long-range facilities plan and state building program that addresses at least 10 years of state agency space needs. The plan must encompass the commission's real estate portfolio of owned assets and facilities leased from private entities and must establish strategic facility goals and a comprehensive capital improvement program to reduce the state's excessive reliance on leased facilities by planning for the construction and acquisition of state-owned facilities before the actual need for space occurs. The strategic facility goals, based on estimates of future space needs, outline biennial funding plans, including the prioritization of projects and estimates of cost as the basis for appropriation requests and project authorization for facilities constructed or acquired under Subchapters B and J and under Chapter 2166.

(c) The comprehensive long-range strategic facilities plan consolidates and must incorporate the requirements and current versions of:

(1) the report about improvements and repairs required under Section 2165.055;

(2) the space allocation and transition plans provided in Section 2165.1061;

(3) the real property evaluation report required under Section 2165.408;

(4) the report on real estate transactions, financial analyses, and revenue forecasts required under Section 2165.414;

(5) the report on the compilation of construction and maintenance information required in Section 2166.101;

(6) the long-range plan for state agency space needs under Section 2166.102;

(7) the biennial report on space needs required in Section 2166.103; and

(8) the biennial report on requested projects required in Section 2166.104.

(d) The commission shall update the comprehensive long-range strategic facilities plan biennially or more frequently as the commission determines necessary.

(e) On or before July 1 of each even-numbered year, the commission shall file the strategic facilities plan with the governor, the lieutenant governor, the speaker of the house of representatives, the comptroller, and the Legislative Budget Board.

Sec. 2165.407. REAL PROPERTY EVALUATION. (a) In consideration of the requirements for the strategic facilities plan and state building program, the commission shall evaluate the real property inventory of each state agency at least once every four years, and an evaluation shall be conducted during the calendar year before the agency is scheduled for review under Chapter 325. The commission may verify the accuracy of inventory records provided by an agency.

(b) The commission shall:

(1) identify real property owned or controlled by the state that is underperforming, not being used, or is being substantially underused;

(2) ascertain the market value of the real property;
and

(3) make recommendations regarding the future use of the real property by state agencies or a real estate transaction involving the real property.

(c) The commission's recommendations under Subsection (b)(3) must include:

(1) an analysis of the highest and best use to which the real property may legally be developed, including market analyses and residual land value estimates for alternative uses of the real property addressing potential for commercial or agricultural lease of the real property or any other real estate transaction or use that the commission considers to be in the best interest of the state; and

(2) a description of the impacts of the recommended use or disposition of the real property on the comprehensive long-range strategic facilities plan and state building program.

(d) State agency staff shall submit to the commission information pertinent to the evaluation of a real estate transaction involving the real property, including an evaluation of any proposals received from private entities that would be of significant benefit to the state and:

(1) if the commission recommends a real estate transaction involving the real property, the market value of the real property based on the highest and best use, the current market conditions, and suggestions on use of the proceeds to benefit the state building program; or

(2) if the commission does not recommend a real estate transaction involving the real property, evidence of the real property's value in a form the commission determines to be appropriate.

(e) In any year the commission is scheduled to evaluate real property under the management and control of the adjutant general's department, the commission shall notify the adjutant general's department before the commission begins the evaluation.

Sec. 2165.408. REAL PROPERTY EVALUATION REPORT. (a) The commission shall prepare a draft real property evaluation report, which must include the results and findings of the evaluation of the real property owned by the state required under Section 2165.407.

(b) The draft report shall be submitted to the General Land Office, which shall make recommendations for potential purchases in accordance with Section 2165.416. The commission shall submit a draft report to each state agency that owns or holds in trust property that is the subject of the draft report. The state agency

that owns or controls real property named in the report may comment on any findings or recommendations made by the commission. The General Land Office and any state agency that owns or controls real property named in the report shall complete a review of the draft report not later than the 60th day after the date the agency receives the report and forward all recommendations and comments to the commission.

(c) The commission shall prepare and issue a final real property evaluation report that incorporates recommendations of the General Land Office regarding the potential purchase of the real property by the School Land Board as required by Section 2165.416 and any comments from any state agency that owns or controls property named in the report.

(d) If, under the adjutant general's report submitted as provided by Section 431.030, the adjutant general determines that real property under the management and control of the adjutant general's department is used for military purposes, the commission may not recommend a real estate transaction involving that real property in the final report submitted as provided by Subsection (e).

(e) The final report, including a description of any draft development plan that may be adopted under Section 2165.418, shall be submitted to the governor, the lieutenant governor, the speaker of the house of representatives, the comptroller, and the Legislative Budget Board not later than July 1 of each year.

(f) Real property reported as underperforming, not being used, or being substantially underused under this section may not be annexed by a political subdivision of this state without prior written approval of the commission.

(g) A state agency that owns or controls real property identified in the real property evaluation report as not being used or being substantially underused shall notify the commission at least 30 days before the date of any planned development, acquisition, disposition, lease, or exchange of the real property, including any planned construction of new improvements or a major modification to an existing improvement.

(h) Each state agency owning real property identified in the

real property evaluation report as underperforming, unused, or substantially underused shall provide to the commission, not later than the 30th day after the agency receives the commission's request, a real property use statement including information on the status of the property. The statement must include:

(1) a list of each item of individual property recommended for an alternative use or a real estate transaction by the commission;

(2) the status of the individual property; and

(3) any plans the agency owning the real property has to convert the use of or dispose of each real property.

(i) The commission may solicit proposals and shall accept unsolicited proposals regarding real estate transactions involving real property that would be of significant benefit to the state.

Sec. 2165.409. GOVERNOR'S REAL PROPERTY REPORT. (a) At any time, the commission may prepare and submit a real property report to the governor recommending real estate transactions or other actions involving any real property included in the most recent real property evaluation report.

(b) After the commission recommends a real estate transaction to the governor under this section, the commission shall notify the state agency that owns or controls the real property and the Texas Department of Housing and Community Affairs. Not later than the 60th day after the date the written recommendation is received, the state agency and the department may file with the governor their comments on or objections to the recommendation.

(c) If the commission recommends a real estate transaction to the governor involving real property identified as not used or substantially underused and the commission's analysis of the highest and best use for the real property is determined to be residential, the Texas Department of Housing and Community Affairs shall evaluate the property and identify any property suitable for affordable housing. The department shall submit comments concerning any property suitable for affordable housing and any documents supporting the comments to the governor not later than the 60th day after the date it receives the report prepared under

this section.

(d) Any unused or underused state property may be sold or leased, or an easement over the property may be granted, to the United States for the use and benefit of the United States armed forces if the commission or the commission's designee, after consultation with appropriate military authorities, determines that the sale, lease, or easement would materially assist the military in accomplishing its mission. A sale, lease, or easement under this subsection must be at market value. The state shall retain all minerals it owns with respect to the land, but it may relinquish the right to use the surface to extract them.

(e) Notwithstanding any other law, real property that the commission has reported as underperforming, unused, or substantially underused and recommended for a real estate transaction may not be developed, sold, or otherwise disposed of by the state agency that owns or controls the real property before the earlier of:

(1) the date the governor rejects a recommended real estate transaction involving the real property; or

(2) two years after the date the recommendation is approved, unless extended by the governor.

(f) If a state agency that owns or controls real property reported as underperforming, unused, or substantially underused intends to dispose of or change the use of the real property before the time provided by Subsection (e), the governor may require a general development plan for future use of the real property or any other information. At any time, the governor may request that the state agency provide its general development plan or any other information to the commission for evaluation and may consult with the commission. The plan must be submitted not later than the 30th day before the date the real estate transaction must be approved by the governor. The governor may take the plan into consideration in determining whether to reject the commission's recommendation.

(g) The commission may conduct the real estate transaction if the governor gives the commission written notice approving the recommendation. The governor must provide written notice of approval or disapproval under this subsection on or before the 90th

day after the date the governor receives the commission's written recommendation.

Sec. 2165.410. REAL ESTATE TRANSACTIONS AUTHORIZED BY GOVERNOR. (a) The commission shall take charge and control of real property and shall negotiate as necessary to conduct and close a real estate transaction authorized by the governor.

(b) The expenses incurred by the commission in conducting a real estate transaction, including the payment of reasonable brokerage fees, may be deducted from the proceeds of the transaction before the proceeds are deposited. The commission may adopt rules relating to the payment of reasonable brokerage fees.

(c) Unless otherwise dedicated by the Texas Constitution, the proceeds of the real estate transaction shall be deposited:

(1) to the credit of the facilities planning construction and real property trust fund; or

(2) notwithstanding Subdivision (1), as otherwise directed under the procedures of Chapter 317.

(d) The grant of an interest in real property owned by the state under this section must:

(1) comply with the requirements of Section 2165.411 to the extent the requirements do not conflict with a recommendation in the governor's report under Section 2165.409; and

(2) be conveyed by an instrument signed by the chair of the commission and, if the governor's approval is required, by the governor.

Sec. 2165.411. REAL ESTATE TRANSACTIONS AUTHORIZED BY LEGISLATURE. (a) If the legislature authorizes a real estate transaction involving real property owned by the state, the commission shall take possession and control of the real property and shall negotiate and close the real estate transaction on behalf of the state. In performing those duties, the commission shall act on behalf of the state agency that owns or controls the subject state real property.

(b) Proceeds from the real estate transaction shall be deposited in the state treasury to the credit of the facilities planning construction and real property trust fund unless the proceeds are dedicated by the Texas Constitution to another fund or

unless the enabling legislation ordering the real estate transaction provides otherwise.

(c) Unless the enabling legislation or general law authorizing the real estate transaction specifies a different procedure, the commission, subject to this subsection, shall conduct the real estate transaction by sealed bid, by public auction, by transaction under Chapter 2267 or similar law, or as provided by Subsection (f). The School Land Board has the first option to purchase the real property under Section 2165.416.

(d) Subdivisions (3) through (8) of this subsection apply only to a sale or lease by sealed bid or public auction. When conducting a real estate transaction, the commission:

(1) shall determine the list price based on the highest and best use of the real property and set the terms and conditions under which the real property shall be sold, leased, or committed to a contract for development and perform any other duties that may be required by law to consummate the real estate transaction;

(2) shall consult with the chair, executive director, president, or other head of a state agency, as applicable, or with the representative of the head, on each matter before the commission that affects real property owned or held in trust for the use and benefit of a state agency;

(3) shall set the dates to open received bids for the real estate transaction under this chapter, and for the commitment of real property to a contract for development;

(4) shall publish notice of the real estate transaction as required by Section 2165.412;

(5) may accept only bids that meet the minimum value established by the commission, which may not be less than market value;

(6) may reject any and all bids, but if the commission does not reject any and all bids, it must accept the best bid submitted;

(7) if the award of a bid does not result in a closed transaction with the bidder, may solicit proposals, negotiate, and sell, exchange, or lease the real property, provided that the sales

price is not less than market value;

(8) if, after proper notice has been posted, no bids meeting the minimum requirements are received at the appointed time and place for the sale or lease, may solicit proposals and negotiate the sale, exchange, or lease of the real property to any person, provided that the sales price is not less than the market value of the real property, the governor approves any sale or lease of real property negotiated under this section, and failure of the governor to approve the sale or lease constitutes a veto of the transaction;

(9) shall make each grant of an interest in real property under this section by an instrument signed by the chair of the commission and, if the governor's approval is required, by the governor; and

(10) may deduct from the proceeds of the transaction before deposit the expenses incurred by the commission in conducting the real estate transaction, including the payment of reasonable brokerage fees.

(e) The commission may adopt rules relating to the payment of reasonable brokerage fees.

(f) The commission may contract for the services of a real estate broker, private brokerage, or real estate firm in the course of a real estate transaction under this chapter if the commission determines contracting for those services is in the best interest of the state.

Sec. 2165.412. NOTICE OF REAL ESTATE TRANSACTIONS. (a) The commission shall publish notice of a request for bids for a real estate transaction in at least three issues of at least four daily newspapers and other publications, which may be Internet-based media, multiple listing services, trade publications, newsletters, or similar methods of advertising that the commission determines likely to have the broadest reach to private entities interested in responding to the notice of a real estate transaction.

(b) The notice shall:

(1) be published at least 60 days before the date the bids are due; and

(2) state that real property is to be offered for a real estate transaction or commitment to a contract for development

on a certain date and at a certain time, describe general terms of the real estate transaction or commitment to a contract for development, and explain the method for obtaining additional information concerning the property offered for sale, lease, or commitment to a contract for development from the commission.

(c) The commission shall send a copy of the notice to the state representative and state senator of the district where the subject real property is located.

(d) The commission may solicit and include advertising in its publications. The commission shall deposit fees paid for advertising in its publications in the facilities planning construction and real property trust fund.

(e) Before the actual sale or lease of the real property, the commission shall:

(1) notify the state representative and state senator of the district where the subject real property is located of all efforts to sell or lease the real property and provide copies of all brokerage contracts relating to the sale or lease; and

(2) publish notice of the real estate transaction at least 30 days before the closing date of the real estate transaction on the commission's Internet website, and in at least three issues of four daily newspapers in this state.

(f) One of the newspapers under Subsection (e)(2) must be of general circulation in the county where the real property is located.

Sec. 2165.413. PERFORMANCE MONITORING. (a) For real estate transactions approved under this subchapter and Subchapter D and comprehensive agreements approved under Chapter 2267, the commission shall provide oversight, annually or more frequently as considered appropriate by the commission, by monitoring performance of each long-term contract, comprehensive agreement, or lease to ensure that:

(1) the contracting person, entity, or lessee is in compliance with terms, provisions, and conditions of the long-term contract, comprehensive agreement, or lease; and

(2) the state's real property assets are performing optimally at market rates and that receipt of fees, rents, and

revenues, including escalations and participatory rents, are timely paid to the state in the amounts and in accordance with the terms, provisions, and conditions of the long-term contract, comprehensive agreement, or lease. Duties of the commission under this section include the conduct of property evaluations and reappraisals at the intervals stipulated in a long-term contract, comprehensive agreement, or lease.

(b) The attorney general, on the attorney general's own initiative or at the request and on behalf of the commission, may bring suit and seek damages to enforce the remedies and rights of the state as provided in a long-term contract, comprehensive agreement, or lease.

Sec. 2165.414. REPORT ON REAL ESTATE TRANSACTIONS; FINANCIAL ANALYSES AND REVENUE FORECASTS. (a) On or before July 1 of each even-numbered year, the commission shall electronically file with the governor, the lieutenant governor, the speaker of the house of representatives, the comptroller, and the Legislative Budget Board a report that includes:

(1) statements of revenue collected in the current fiscal year and financial analyses, including residual land value analyses, economic impact analyses, and forecasts of revenue and proceeds to be collected over the next 10 fiscal years, or more as considered appropriate by the commission, resulting from active and recommended real estate transactions authorized by Sections 2165.004, 2165.151, 2165.203, 2165.410, 2165.411, and 2166.052(b) and from qualifying projects authorized under Chapter 2267;

(2) statements of historical revenues received in the preceding five fiscal years generated from real estate transactions and qualifying projects;

(3) a listing of market values for active and recommended real estate transactions and qualifying projects under the commission's charge and control; and

(4) recommendations on the use of funds in the facilities planning construction and real property trust fund, that, in accordance with the strategic facilities plan and state building program, may be invested by the commission for state purposes to construct new state-owned facilities and acquire real

property or qualifying projects for state purposes.

(b) Not later than the 90th day before the date the report is due, the commission shall provide a draft of the report to the Legislative Budget Board. Not later than the 60th day after the date the board receives the report, the board shall review the state's financial interest in long-term leases and qualifying projects of the commission and make recommendations to the commission on the use and management of revenue generated from long-term leases and qualifying projects. The commission shall incorporate the recommendations of the board in the final report required in Subsection (a).

Sec. 2165.415. TRANSFER OF REAL PROPERTY FOR USE AS AFFORDABLE HOUSING. (a) If the legislature authorizes or the governor approves the transfer of title to real property to an entity for use as affordable housing, the commission shall take possession and control of the real property and shall conduct the transaction as provided by the policy adopted under Subsection (b).

(b) The commission shall adopt a policy regarding the method of transferring title to real property designated as suitable for affordable housing to an entity for use as affordable housing. The policy must include monitoring and enforcement provisions to ensure that the real property is used for affordable housing.

Sec. 2165.416. FIRST OPTION TO PURCHASE. (a) The School Land Board has a first option to purchase real property authorized for sale by the legislature or the governor. The board may exercise its option by tendering cash for market value as mutually agreed on by the board and the state agency that owns the real property, but the purchase price may not be less than market value. For purposes of this section, the commission may request more than one appraisal to determine market value. If the parties cannot agree on a value, the board and the state agency that owns the real property shall follow the procedures provided by Subsections (d) and (e). The board may not pay more than market value.

(b) The commission shall inform the School Land Board of the proposed sale and its first option to purchase state agency real property. If the board decides to exercise its option under this section, the commission shall appoint an appraiser not later than

the 30th day after the date the board notifies the commission of its decision.

(c) The School Land Board must complete the cash purchase not later than the 120th day after the date the board exercises its first option to purchase. If the School Land Board fails to complete the purchase within the time permitted, the commission may extend the time for completing the purchase or disposing of the real property as authorized by the legislature or approved by the governor.

(d) If the state agency that owns the real property disputes the market value, the School Land Board shall request a second appraisal. If the School Land Board fails to request a second appraisal, the commission shall appoint a second appraiser not later than the 21st day after the date the state agency notifies the School Land Board that it disputes the market value. On completion of the second appraisal, the two appraisers shall meet promptly and attempt to reach agreement on the market value. If the two appraisers fail to reach agreement before the 10th day after the date of the meeting, the commission shall request a third appraiser to reconcile the two previous appraisals. The determination of value by the third appraiser may not be less than the lower or more than the higher of the first two appraisals. The market value determined by the third appraiser is final and binding on all parties.

(e) Any appraiser used under this section must be selected in accordance with Subchapter A, Chapter 2254. The commission shall award the appraisal services contract to the provider of professional services after considering the factors identified in Chapter 2254. The party requesting the appraisal shall pay the expenses of the appraisal.

Sec. 2165.417. SURVEY OR SUBDIVISION OF LAND. The commission may survey or subdivide land owned by the state into tracts, lots, or blocks based on determination by the commission of which method will achieve the highest and best use and create or enhance the market value of the real property and facilitate an advantageous real estate transaction or the commitment of land to a contract, lease, or comprehensive agreement for development.

Sec. 2165.418. DEVELOPMENT PLAN. (a) If the state intends to conduct a sale or long-term lease for nongovernmental purposes of real property owned by the state, the commission shall promulgate a site development plan for the real property.

(b) The purpose of a development plan is to create and enhance the market value of real property owned by the state before disposition to a contracting person, taking into consideration the preservation of the health, safety, and general welfare of the communities in which the real property is situated.

(c) The plan may consider local land use planning ordinances, which may include the following:

(1) allocation and location of specific uses of the real property, including residential, commercial, industrial, recreational, or other appropriate uses;

(2) densities and intensities of designated land uses;

(3) the timing, rate, and phasing of development;

(4) timely delivery of adequate facilities, infrastructure, and services, including electric, telecommunications, water, wastewater collection and treatment systems, parks and public recreational facilities, drainage facilities, school sites, and roads and transportation facilities;
or

(5) design guidelines, zoning, and other land use regulations.

(d) The plan may include building design standards, construction methods, setback requirements for property that fronts any street, building height specifications, streetscape and landscape standards, land use standards, utility and infrastructure requirements, right-of-way use or modifications for traffic and alternate transit modalities, and any other long-term planning criteria or design elements the commission considers necessary.

Sec. 2165.419. PUBLIC HEARING BEFORE ADOPTION OF DEVELOPMENT PLAN. (a) If the commission adopts a plan under Section 2165.418, the commission shall notify any affected local government in which the real property is located as required under Section 2165.420. The commission shall provide or transmit to the

local government the following information relating to:

(1) the location of the real property to be offered for sale or lease;

(2) the highest and best use of the real property as determined by the commission;

(3) an electronic draft copy of the plan; and

(4) the process provided under Sections 2165.423 and 2165.424 for the interlocal planning board.

(b) Not later than the 30th day after the date the local government receives the notice provided under Subsection (a), the local government may request that the commission hold a public hearing to solicit public comment. If requested by the local government, the commission shall hold a public hearing. The local government shall provide notice of the hearing to real property owners in the same manner that notice is provided for adopting zoning regulations or subdivision requirements in the local government's jurisdiction. The commission shall set the agenda for the hearing, which must be completed not later than the 120th day after the date notice is provided under Subsection (a).

(c) If the local government does not request a public hearing under Subsection (b), the commission may hold a hearing to solicit public comment. The commission shall provide notice of the hearing in the same manner that a local government is required to provide notice under Subsection (b). The commission shall set the agenda for the hearing and must complete the hearing not later than the 120th day after the date the notice is provided under Subsection (a).

(d) A public hearing under this section may include:

(1) a presentation by the commission relating to the commission's classification of the real property as underperforming, unused, or substantially underused and the commission's recommendation of the highest and best use to which the real property may legally be developed;

(2) a presentation by the local government relating to relevant local plans, development principles, and ordinances that may affect the development of the real property; and

(3) oral comments and presentations of information by,

and written comments received from, other persons relating to the development of the real property.

(e) The commission staff shall prepare and deliver a development hearing report to the commission summarizing the information and testimony presented at the hearing and the views presented by the state, the affected local governments, and other persons who participated in the hearing process. The commission staff may develop recommendations based on the information and testimony presented at a hearing conducted under this section and set out that information in the development hearing report. The governing body of the commission shall review the report and may instruct the commission staff to incorporate information based on the report in adopting the plan under Section 2165.418.

(f) The commission may adopt rules to implement this section.

Sec. 2165.420. SUBMISSION OF DEVELOPMENT PLAN TO AFFECTED LOCAL GOVERNMENT. (a) The commission shall submit the development plan adopted under Section 2165.418 to any affected local government in which the real property is located.

(b) The affected local government shall evaluate the plan and either accept or reject the plan not later than the 120th day after the date the commission submits the plan.

(c) The plan may be rejected by the affected local government only on grounds that it does not comply with local zoning, subdivision ordinances, and land use regulations of the municipality.

(d) If the plan is rejected by the affected local government, the local government shall provide written notice specifically identifying any ordinance with which the plan conflicts and propose specific modifications to the plan that will bring it into compliance with the local ordinance.

(e) If the plan is rejected by the affected local government, the commission may modify the plan to conform to the ordinances specifically identified by the local government and resubmit the plan for approval, or the commission may apply for necessary rezoning or variances from the local ordinances.

(f) Failure by the local government to provide written

notice of rejection within the 120-day period prescribed by Subsection (b) will be considered an acceptance by the local government of the plan.

Sec. 2165.421. REZONING. (a) If the plan would require zoning inconsistent with any existing zoning or other land use regulation, the commission or its designated representative may at any time submit a request for rezoning or variance to the affected local government.

(b) The rezoning or variance request shall be submitted in the same manner as the request is submitted to the affected local government. The local government shall take final action on the request not later than the 120th day after the date the request for rezoning or variance is submitted.

(c) Failure by the local government to act within the 120-day period prescribed by Subsection (b) will be considered an approval of the rezoning request by the local government.

Sec. 2165.422. FEES AND ASSESSMENTS. (a) The local government may not impose an application, filing, or other fee or assessment on the state for consideration of the development plan or the application for rezoning or variance submitted by the state.

(b) The local government may not require the submission of architectural, engineering, or impact studies to be completed at state expense before considering the plan or application for rezoning or variance.

Sec. 2165.423. INTERLOCAL PLANNING BOARD. (a) If the affected local government rejects the development plan or denies the rezoning or variance request, the matter may be appealed to the interlocal planning board consisting of the following members:

(1) the chair of the commission;

(2) the chair of the governing board of the agency or institution possessing the real property or the chair's designated representative;

(3) the mayor of the municipality within whose corporate boundaries or extraterritorial jurisdiction the real property is located;

(4) the county judge of the county within which the real property is located;

(5) one state senator selected by the lieutenant governor;

(6) one member of the house of representatives selected by the speaker of the house; and

(7) one public member appointed by the governor.

(b) The chair of the commission shall serve as chair of the interlocal planning board.

(c) If the real property is not located within the corporate boundaries or the extraterritorial jurisdiction of a city or town, the board shall consist of the members of the commission under Subsection (a), the agency chair, and the county judge. The chair of the commission shall serve as chair of the interlocal planning board.

Sec. 2165.424. HEARING. (a) The interlocal planning board shall conduct one or more public hearings to consider the proposed development plan. The hearing is not a contested case proceeding under Chapter 2001 and is not subject to appeal as provided by that chapter.

(b) Hearings shall be conducted in accordance with rules adopted by the commission for conduct of such special review.

(c) If real property is located in more than one municipality, the hearings on any single tract of real property may be combined.

(d) Any political subdivision in which the tract in question is located and the appropriate central appraisal district shall receive written notice of the interlocal planning board hearings not later than the 14th day before the date of the hearing.

(e) At least one hearing shall be conducted in the county where the real property is located.

(f) If after the hearings, the interlocal planning board determines that local zoning and land use regulations are detrimental to the best interest of the state, the interlocal planning board shall issue an order establishing a development plan to govern the use of the real property as provided in this section.

(g) Development of the real property shall be in accordance with the plan and must comply with all local rules, regulations, orders, or ordinances, except as specifically identified in an

order of the interlocal planning board. If substantial progress, as determined by the commission at a public hearing, is not made toward development of the real property before the fifth anniversary of the date of adoption by the interlocal planning board, municipal zoning and land use regulations become applicable to development of the tract, unless the commission adopts a new plan.

Sec. 2165.425. BINDING EFFECT OF DEVELOPMENT PLAN. (a) Except as provided by this section, a development plan adopted by the commission and accepted by a local government or a development plan issued by order of the interlocal planning board shall be final and binding on the state, its lessees, successors in interest and assigns, and affected local governments or political subdivisions.

(b) A local government, political subdivision, owner, builder, or developer or any other person may not modify the development plan without specific approval of the commission or issuance of an order by the interlocal planning board, as applicable.

(c) The commission must file a copy of the development plan in the official public records for real property of the county in which the real property is located.

(d) Revisions to the development plan shall be made following the procedure provided in this subchapter unless the state no longer holds a financial or property interest in the real property subject to the development plan.

Sec. 2165.426. AUTHORITY TO ESTABLISH AND COLLECT FEES. (a) The commission shall establish and collect, for the use of the commission, reasonable fees in amounts necessary to carry out this chapter and Chapter 2267, including the costs of processing, reviewing, and evaluating bids, offers, or proposals and the costs of negotiating and implementing an executed contract, comprehensive agreement, or lease.

(b) Before proceeds or revenues are deposited in the facilities planning construction and real property trust fund, the commission shall deduct reasonable fees out of proceeds from real estate transactions or project revenues in amounts necessary to recover cost of services rendered in relation to other agency

property as required by Section 2165.056(c) and to cover the costs of routine oversight, evaluations, and reappraisals throughout the duration of an executed contract, comprehensive agreement, or lease as required under Section 2165.413.

(c) The amounts collected under Subsections (a) and (b) must be reasonable in comparison to the level of professional expertise required for the transaction or project.

(d) The provisions of this section are controlling over other laws to the contrary.

Sec. 2165.427. EVALUATION FEE. (a) The commission shall charge offerors for the purchase or lease of real property owned by the state an evaluation fee to determine the highest and best use and market value for which the real property may be sold by or leased from the state.

(b) The evaluation fee must be in an amount set by the commission. Any part of the fee that, in the opinion of the commission, is unused shall be refunded to the offeror.

(c) The evaluation fee shall be paid to the commission and the commission shall deposit all fees that are not refunded into the state treasury to the credit of the facilities planning construction and real property trust fund.

Sec. 2165.428. TRANSACTION FEE. (a) In real estate transactions conducted by the commission, the bidder, buyer, or lessee shall pay the commission a transaction fee, by separate check, in an amount determined by the commission that does not exceed one and one-half percent of the contract price. The commission may waive the transaction fee on sales to any state agency, board, commission, political subdivision, or other governmental entity.

(b) If the real estate transaction is by bid, only the fees paid on the successful bid accepted by the commission that results in a closed transaction shall be deposited in the facilities planning construction and real property trust fund.

(c) Failure to pay the transaction fee may not void a bid, but the commission shall require payment of the fee before closing the transaction.

(d) Checks submitted by unsuccessful bidders shall be

returned to the bidders.

(e) The commission may retain an amount from the proceeds of a real estate transaction conducted under this chapter to cover the cost of conducting the transaction, including advertising, appraisal, evaluation, and administrative costs. The balance of the proceeds shall be deposited in the state treasury to the credit of the facilities planning construction and real property trust fund.

Sec. 2165.429. AUTHORITY TO ACCEPT GIFTS, GRANTS, DEVISES, TRUSTS, AND BEQUESTS. The commission may accept a gift, grant, devise, or bequest of money, securities, services, or property to carry out a state purpose, including money raised or services provided by a nonprofit entity, volunteer, or volunteer group to promote the work of the commission. All gifts, grants, devises, or bequests of money under this section shall be deposited to the credit of the facilities planning construction and real property trust fund.

Sec. 2165.430. FACILITIES PLANNING CONSTRUCTION AND REAL PROPERTY TRUST FUND. The facilities planning construction and real property trust fund is a special fund created in the state treasury for the use of and administration by the commission as provided by this subchapter.

Sec. 2165.431. PURPOSE OF FACILITIES PLANNING CONSTRUCTION AND REAL PROPERTY TRUST FUND. (a) In accordance with this chapter and Chapter 2166, the commission has charge and control of certain state buildings, grounds, and property and is the coordinating authority for multiagency construction projects authorized by the legislature. The purposes of the facilities planning construction and real property trust fund are to satisfy the requirements of this chapter and Chapter 2166, to effectuate the strategic facilities plan, and to ensure the orderly future development of the state building program.

(b) The purposes of the facilities planning construction and real property trust fund are in accordance with:

(1) the purposes of this subchapter as described in Section 2165.401;

(2) Section 2166.102, which requires the commission to

semiannually conduct statewide long-range plans for state agency space needs; and

(3) Sections 2165.1061 and 2166.103, which require the commission to continuously survey the state's office space needs to determine the space needed and the location of the need and to develop transition plans to give preference to state-owned space as required by Section 2165.107.

Sec. 2165.432. SOURCES OF FACILITIES PLANNING CONSTRUCTION AND REAL PROPERTY TRUST FUND. (a) The facilities planning construction and real property trust fund consists of:

(1) general revenue and transfers made to the fund;

(2) fees, proceeds, rents, and revenue generated from real estate transactions or qualifying projects and management of real property under the charge and control or administration of the commission; and

(3) grants, donations, and bequests from any source designated for the benefit of the state to acquire, develop, or operate real property assets for state purposes.

(b) Interest earned on the facilities planning construction and real property trust fund and any money in the fund not used in a fiscal year remains in the fund. The fund is exempt under Section 403.095(d)(2).

Sec. 2165.433. USE OF FACILITIES PLANNING CONSTRUCTION AND REAL PROPERTY TRUST FUND. (a) The money in the facilities planning construction and real property trust fund may be used for:

(1) the construction of state facilities or acquisition of fee or lesser interests in state-owned buildings and real property, including adjoining parking facilities or lots, easements, improvements, infrastructure, and systems necessary for the commission to take an action under Sections 2166.052, 2166.053, and 2166.060 and Chapter 2267;

(2) the costs incurred by the commission on or with respect to any real property owned or leased by the state, including any property titled in the name of a state agency requesting a project that requires the commission to analyze, plan, design, construct, expand, initially furnish and equip, improve, install, operate, and manage new state-owned buildings, grounds, and

property;

(3) the costs incurred by the commission to contract with private design professionals for planning, architectural, engineering, and other technical services to:

(A) prepare project analyses, as authorized by Section 2166.152, which are necessary or incidental to develop reliable project cost and life-cycle cost estimates, schematic plans, outlined specifications, and alternative analyses when determining the feasibility and practicability of state construction projects by comparing new construction projects with the acquisition and rehabilitation of existing or historic structures, or a combination of new and existing structures, as authorized and required by Sections 2166.153 and 2166.154; and

(B) prepare preliminary and working plans and specifications as required by Section 2166.156, for facilities to-be-built or acquired and renovated for state purposes;

(4) properties for which the commission recommends a real estate transaction under Section 2165.407, the costs to hire or contract with private design professionals and other technical or professional services necessary for the commission to prepare:

(A) real estate market analyses, including determinations of the highest and best use;

(B) legal and regulatory analyses;

(C) financial analyses, including value for money analyses and buy versus build analyses, life-cycle cost analyses, and revenue and expenditure forecasts;

(D) preliminary and detailed site-specific proposals and plans for developing state property, including design guidelines, building standards, and proposals on the use of state property and space for public or private purposes; and

(E) other analyses or plans for real property subject to this chapter that the commission considers in the best interest of the state; and

(5) the administration of the commission's planning and real estate management division.

(b) Money deposited in the fund to the extent necessary is appropriated to the commission to carry out this chapter.

SECTION _____. Section 431.030, Government Code, is amended to read as follows:

Sec. 431.030. REPORT OF MILITARY USE OF PROPERTY. (a) If the adjutant general receives notice [~~from the asset management division of the General Land Office~~] as provided by Section 2165.407 [~~31.156, Natural Resources Code~~], the adjutant general shall produce a report evaluating the military use of any real property under the management and control of the department. The adjutant general shall evaluate the use of the property as required by this subsection according to military criteria for use of real property.

(b) Not later than August 1 of the year in which the Texas Facilities Commission [~~Commissioner of the General Land Office~~] submits a report as provided by Section 2165.408 [~~31.157, Natural Resources Code~~], the adjutant general shall submit a preliminary report of the report required under Subsection (a) to the commission [~~Commissioner of the General Land Office~~] identifying the real property used for military purposes. Not later than September 1 of the year in which the commission [~~Commissioner of the General Land Office~~] submits a report as provided by Section 2165.408 [~~31.157, Natural Resources Code~~], the adjutant general shall submit the report as required by Subsection (a) to:

- (1) the governor;
- (2) the presiding officer of each house of the legislature;
- (3) the Legislative Budget Board; and
- (4) the governor's budget office.

SECTION _____. Section 443.0071(a), Government Code, is amended to read as follows:

(a) Architectural and engineering plans [~~A proposal~~] to construct a building, monument, or other improvement in the Capitol complex must be submitted to the board for its review and comment at the earliest planning stages of any such project. The board must provide written comments under this subsection not later than the 60th day after the date the board receives the plans.

SECTION _____. Section 496.0021(a), Government Code, is amended to read as follows:

(a) The board may sell state-owned real property under the board's management and control at the real property's fair market value. The Texas Facilities Commission [~~General Land Office~~] shall negotiate and close a transaction under this section on behalf of the board using procedures under Section 2165.411 [~~31.158(c), Natural Resources Code~~]. Proceeds from the transaction shall be deposited in the Texas capital trust fund.

SECTION _____. Section 2165.156, Government Code, is amended to read as follows:

Sec. 2165.156. DEPOSIT OF LEASE PROCEEDS. Money received from a lease under this subchapter, minus the amount spent for advertising and [~~leasing~~] expenses incurred by the commission in preparing, evaluating, and negotiating the lease, including the payment of reasonable brokerage fees, may be deducted from the proceeds of the real estate transaction before the proceeds are [~~shall be~~] deposited:

(1) in the state treasury to the credit of the facilities planning construction and real property trust [~~general revenue~~] fund; or

(2) if the land leased belongs to an eleemosynary institution for which there is an appropriate special fund, to the credit of the institution in the appropriate special fund.

SECTION _____. Section 2165.213, Government Code, is amended to read as follows:

Sec. 2165.213. AD VALOREM TAXATION. (a) Improvements [~~Space~~] leased under this subchapter and Subchapters D and I to a private tenant, person, or entity are [~~is~~] subject to ad valorem taxation in accordance with Section 11.11(d), Tax Code.

(b) The improvement [~~space~~] is not subject to taxation if:

(1) the private tenant would be entitled to an exemption from taxation of the improvement [~~space~~] if the tenant owned the real property [~~space~~] instead of leasing it; or

(2) the tenant uses the improvement [~~space~~] for a child care facility.

SECTION _____. Section 2166.052(b), Government Code, is amended to read as follows:

(b) The commission may not sell or otherwise dispose of real

property of the state except as provided by Subchapter I, Chapter 2165, or by specific authority:

(1) granted by the legislature if the legislature is in session; or

(2) granted jointly by the governor and the Legislative Budget Board if the legislature is not in session.

SECTION _____. Sections 2166.453(b) and (c), Government Code, are amended to read as follows:

(b) The commission may meet space needs of one or more state agencies that are being met through leased space by purchasing or constructing one or more buildings under this section. The purchase or construction of a building may include the purchase of the building's grounds and related improvements. The purchase or construction of a building under this section must be:

(1) financed through bonds issued by the Texas Public Finance Authority or funding sources authorized under Chapter 2267; and

(2) approved by the legislature if it is in session or by the Legislative Budget Board if the legislature is not in session.

(c) The commission may purchase or construct a building under this section only if the commission determines that the projected [~~annual~~] total [~~space~~] occupancy costs of the purchased or constructed space will not exceed, over the term of the [~~bonded~~] indebtedness, the projected [~~annual~~] total [~~space~~] occupancy costs over the term of a lease, including lease renewals or extensions, of meeting the same space needs through leased space.

SECTION _____. Section 401.267(b), Health and Safety Code, is amended to read as follows:

(b) The commission may sell land acquired under this section at the land's fair market value after the commission has taken corrective action to restore the land to a condition that does not compromise the public health or safety or the environment. The Texas Facilities Commission [~~General Land Office~~] shall negotiate and close a transaction under this subsection on behalf of the commission using procedures under Section 2165.411 [~~31.158(c)~~], Government [~~Natural Resources~~] Code. Proceeds from the

transaction shall be deposited in the Texas capital trust fund.

SECTION _____. Section 31.065(d), Natural Resources Code, is amended to read as follows:

(d) If real property acquired by grant, gift, devise, or bequest is not held as part of the permanent school fund or possessed, administered, or used by a particular state agency, board, commission, department, or other particular state entity, the commissioner may manage that real property or sell or exchange the real property under terms and conditions the commissioner determines to be in the best interest of the state. Real property sold under this subsection must be sold in accordance with Section 2165.411, Government Code [~~31.158~~]. Proceeds of the sale that are not required for the management of real property under this subsection shall be deposited in the Texas farm and ranch lands conservation fund established under Chapter 183. Real property acquired under this subsection may be dedicated by the commissioner to any state agency, board, commission, or department, a political subdivision or other governmental entity of this state, or the federal government, for the benefit and use of the public in exchange for nonmonetary consideration, if the commissioner determines that the exchange is in the best interest of the state.

SECTION _____. Section 31.066(d), Natural Resources Code, is amended to read as follows:

(d) The commissioner may sell any title or interest acquired by the state under this section in accordance with Section 2165.411, Government Code [~~31.158~~]. Proceeds of the sale shall be deposited in the Texas farm and ranch lands conservation fund established under Chapter 183.

SECTION _____. Section 31.067, Natural Resources Code, is amended to read as follows:

Sec. 31.067. AUTHORITY TO SELL CERTAIN AGENCY REAL PROPERTY. The division is authorized to sell any real property acquired on behalf of the state pursuant to Section 402.025, Government Code. Sale of such real property shall be conducted in accordance with the provisions of Section 2165.411, Government Code, [~~31.158 of this code~~] unless otherwise provided by law. Proceeds of sale shall be deposited in the General Revenue Fund as

specified in Section 402.025, Government Code.

SECTION _____. Sections 31.068(a) and (c), Natural Resources Code, are amended to read as follows:

(a) The commissioner and the attorney general have standing to enforce a:

(1) restrictive covenant affecting real property owned by the permanent school fund [~~or a state agency~~];

(2) restriction expressed in a transfer document or legislative act conveying real property then owned by the state; or

(3) statutory restriction on the sale or lease of real property patented or leased by the state to a navigation district, including a restriction provided by Section 61.116 or 61.117, Water Code.

(c) This section does not apply to:

(1) permanent university fund land; [~~or~~]

(2) other real property controlled or administered by the board of regents of The University of Texas System; or

(3) real property or a real estate transaction subject to Subchapter I, Chapter 2165, Government Code.

SECTION _____. Section 31.1611(a), Natural Resources Code, is amended to read as follows:

(a) If the division is requested to prepare a development plan under Section 31.161, the division shall notify the local government to which the plan will be submitted under Section 31.162 of the division's intent to prepare a development plan. The division shall provide the local government with information relating to:

(1) the location of the real property to be offered for sale or lease;

(2) the highest and best use of the real property as provided in the division's report under Section 2165.408, Government Code [~~31.157~~]; and

(3) the process for preparing the development plan under Section 31.161 and the process provided under Sections 31.165 and 31.166 for the special board of review.

SECTION _____. The following provisions of the Natural Resources Code are repealed:

- (1) Section 31.001(7);
- (2) Section 31.0672;
- (3) Section 31.153;
- (4) Section 31.154;
- (5) Section 31.155;
- (6) Section 31.156;
- (7) Section 31.157;
- (8) Section 31.1571;
- (9) Section 31.1573;
- (10) Section 31.158;
- (11) Section 31.1581; and
- (12) Section 31.159.

SECTION _____. (a) On the effective date of this Act, all employees of the General Land Office who primarily perform duties related to a duty, function, or activity transferred by this Act, including employees who provide administrative support for those functions and services, are transferred to the Texas Facilities Commission.

(b) A rule, form, policy, procedure, or decision of the General Land Office that is related to a duty, function, or activity transferred by this Act continues in effect as a rule, form, policy, procedure, or decision of the Texas Facilities Commission until superseded by an act of the commission.

(c) A court case, administrative proceeding, contract negotiation, or other proceeding involving the General Land Office that is related to a duty, function, or activity transferred by this Act to the Texas Facilities Commission is transferred without change to the Texas Facilities Commission, and the Texas Facilities Commission assumes, without a change in status until superseded by an act of the commission, the position of the General Land Office in a negotiation or proceeding relating to a duty, function, or activity transferred by this Act to the Texas Facilities Commission to which the General Land Office is a party.

(d) On the effective date of this Act, all money, contracts, memoranda of understanding, leases, rights, bonds, or obligations of the General Land Office related to a duty, function, or activity transferred by this Act to the Texas Facilities Commission are

transferred to the Texas Facilities Commission.

(e) On the effective date of this Act, all personal property, including databases, records, and related information technology, in the custody of the General Land Office related to a duty, function, or activity transferred by this Act to the Texas Facilities Commission becomes the property of the Texas Facilities Commission.

(f) On the effective date of this Act, all funds appropriated by the legislature to the General Land Office related to a duty, function, or activity transferred by this Act, including funds for providing administrative support, continue as appropriations to the Texas Facilities Commission.

SECTION _____. To accomplish the transfer of duties and functions under this Act, the Texas Facilities Commission and the General Land Office shall adopt a memorandum of understanding that identifies and allocates between the Texas Facilities Commission and the General Land Office the property, employees, appropriations, and other items transferred in accordance with this Act. The memorandum of understanding must also:

(1) identify and allocate between the Texas Facilities Commission and the General Land Office the employees and real and personal property of the General Land Office, including space, used to generally support the activities of the General Land Office related to a duty, function, or activity transferred by this Act; and

(2) provide a schedule for any necessary or advisable transfer of the physical location of employees and property.