

BILL ANALYSIS

Senate Research Center
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H.B. 3750
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

According to interested parties, there is no database in Texas containing a list of all the property owned by the state and, consequently, no agency or legislator knows how much property the state owns or what that property is worth. This has raised concerns about the state's ability to assess, effectively use, or insure its assets. H.B. 3750 seeks to address these concerns

H.B. 3750 amends current law relating to interim studies on real property owned by the state.

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. INTERIM STUDY. (a) Requires the State Office of Risk Management (SORM) to conduct an interim study on insurable state assets, using information provided by the Legislative Budget Board (LBB), to develop a statewide strategy to ensure that all real property owned by the state, including buildings, facilities, and land, is adequately insured.

(b) Requires the LBB to collect the information described by this section from each state agency and institution of higher education that possesses real property and require each agency and institution to submit the information to the LBB by a date prescribed by the board. Requires the LBB to coordinate with the following entities to collect the information:

- (1) the comptroller of public accounts of the State of Texas;
- (2) the state auditor's office;
- (3) SORM;
- (4) the Texas General Land Office (GLO);
- (5) the Texas Facilities Commission;
- (6) the Texas Higher Education Coordinating Board (THECB); and
- (7) any other state agency.

(c) Requires the LBB to coordinate the collection of comprehensive real property data for official state use, including for a state agency other than an institution of higher education, as defined by Section 61.003 (Definitions), Education Code:

- (1) for each state-owned building or facility, certain information as set forth; and
- (2) for state-owned land, certain information as set forth.

(d) Requires the LBB to collect the real property data of an institution of higher education, as defined by Section 61.003, Education Code, from:

(1) THECB, as such data is reported to THECB, including, for each building or facility owned by an institution, certain information as set forth.

(2) each institution of higher education, including, for land owned by the institution, certain information as set forth.

(e) Requires the LBB to report the information submitted by each state agency and institution of higher education to SORM by a date prescribed by SORM.

(f) Requires SORM, not later than June 1, 2016, to consolidate the information received by the LBB and enter it into a single database accessible by the legislature and all state agencies and institutions of higher education.

(g) Requires SORM, not later than August 31, 2016, to conduct the insurable state asset interim study and report SORM's findings and recommendations to the legislature. Requires that the report include a statewide strategy that will ensure all real property owned by the state is adequately insured.

SECTION 2. SELECT INTERIM COMMITTEES; STUDY. (a) Provides that a Senate Select Committee on State Real Property Data Collection, Reporting, and Assessment and a House Select Committee on State Real Property Data Collection, Reporting, and Assessment are established to, separately or jointly, study:

(1) the potential benefits of maintaining a comprehensive database of all real property owned by the state;

(2) the potential financial loss to the state that could result from the state owning uninsured and underinsured real property;

(3) any efficiencies or cost savings potentially achieved by requiring GLO to submit the annual report required under Section 31.157 (Evaluation Report), Natural Resources Code, to the Texas Department of Transportation, the Employees Retirement System of Texas, and the Teacher Retirement System of Texas;

(4) the potential benefits or burdens, including administrative burdens, of requiring each state agency and institution of higher education to report information on the real property it possesses, at the same time and in a uniform manner, to a single entity, and how often the information should be reported;

(5) which state agency is best suited to collect information on all real property owned by the state and the appropriate method for collecting this information;

(6) the information that is currently reported by state agencies and institutions of higher education regarding real property of which agencies and institutions have charge and control;

(7) the distinction between state agencies and institutions of higher education that report information on real property owned by the state as compared to state agencies and institutions of higher education that collect information for a report on real property owned by the state;

(8) information determined by the LBB as necessary for SORM to conduct an insurable state asset study to develop a statewide strategy that will ensure all real property owned by the state is adequately insured;

(9) how often SORM should submit an insurable state asset study to the legislature;

(10) the results of the appraisal required by Subsection (e) of this section, and the potential loss to the state by inadequately insuring the Capitol Complex, as defined by Section 443.0071 (Review of Construction in Capitol Complex), Government Code; and

(11) other potential ways to ensure that the state is able to identify, track, and maintain a database of the location, condition, and replacement value of all real property owned by the state.

(b) Requires the lieutenant governor, not later than November 30, 2015, to appoint five senators to the Senate Select Committee on State Real Property Data Collection, Reporting, and Assessment and designate one senator to serve as the chair, and requires the speaker of the house of representatives, not later than November 30, 2015, to appoint five state representatives to the House Select Committee on State Real Property Data Collection, Reporting, and Assessment and select one state representative to serve as the chair.

(c) Requires the committees established under this section to convene separately at the call of the chair of the respective committee, or jointly at the call of both chairs. Requires the chairs of each committee to act as joint chairs in joint meetings.

(d) Requires the committees established under this section, following consideration of the factors listed in Subsection (a) of this section, to jointly adopt recommendations and report in writing any findings and adopted recommendations to the legislature not later than January 13, 2017. Requires that the report, at a minimum, identify a single entity to collect information on all real property owned by the state, including buildings, facilities, and land.

(e) Requires the committees established under this section to conduct an appraisal of all or part of the Capitol Complex, as defined by Section 443.0071, Government Code. Requires that the appraisal be completed in a manner that ensures that the committees can comply with the requirements of Subsection (a)(10) of this section. Authorizes the committees, to conduct the appraisal required under this subsection, to:

(1) use the services of SORM, including any existing appraisal contracts developed by SORM; or

(2) contract with a state certified or state licensed real estate appraiser in accordance with Subchapter A (Professional Services), Chapter 2254 (Professional and Consulting Services), Government Code, and other applicable state procurement practices.

SECTION 3. EXPIRATION. Provides that this Act expires September 1, 2017.

SECTION 4. EFFECTIVE DATE. Effective date: upon passage or September 1, 2015.