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H.B. No. 3750

A BILL TO BE ENTITLED

AN ACT

relating to interim studies on real property owned by the state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. INTERIM STUDY. (a) The State Office of Risk Management shall conduct an interim study on insurable state assets, using information provided by the Legislative Budget Board, to develop a statewide strategy to ensure that all real property owned by the state, including buildings, facilities, and land, is adequately insured.

(b) The Legislative Budget Board shall 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 board by a date prescribed by the board. The board shall coordinate with the following entities to collect the information:

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

(c) The Legislative Budget Board shall coordinate the collection of comprehensive real property data for official state

1 use, including for a state agency other than an institution of
2 higher education, as defined by Section 61.003, Education Code:

3 (1) for each state-owned building or facility:

4 (A) the name of the state agency that has charge
5 and control of the building or facility;

6 (B) the number or name of the building or
7 facility;

8 (C) the address and geographic coordinates of the
9 building or facility;

10 (D) a description of the building or facility,
11 including the type of construction based on the Insurance Services
12 Office classification system, the cost of construction, and a
13 statement on the quality of the construction;

14 (E) the year the building or facility was built
15 or the acquisition date of the building or facility;

16 (F) the number of stories and the square footage
17 of the building or facility;

18 (G) the occupancy type of the building or
19 facility;

20 (H) the amount of space in the building or
21 facility that is being used, expressed as a percentage;

22 (I) the status of the fire alarm system within
23 the building or facility;

24 (J) information on protection systems and
25 features of the building or facility, including fire protection
26 systems and features and any violations for which the building or
27 facility has been cited;

1 (K) the value of the building or facility based
2 on replacement value, market value, donated value, or purchase
3 price, including the year the building or facility was appraised;

4 (L) the value of the contents of the building or
5 facility;

6 (M) the fund from which the building or facility
7 was purchased;

8 (N) information on the flood zone status of the
9 building or facility;

10 (O) any surrounding use of the building or
11 facility; and

12 (P) the type of fund profiled under the uniform
13 statewide accounting system that the state agency used to purchase
14 the building or facility; and

15 (2) for state-owned land:

16 (A) the name of the state agency that has charge
17 and control of the land;

18 (B) the address and geographic coordinates of the
19 land;

20 (C) the name of the land, if any;

21 (D) whether a historical marker is located on the
22 land, and if so, a description of the historical marker;

23 (E) the amount of acres of the land;

24 (F) whether the land is located in a flood zone;

25 (G) any surrounding use of the land;

26 (H) the value of the land based on market value,
27 donated value, or purchase price and the year the land was

1 appraised; and

2 (I) the fund from which the land was purchased.

3 (d) The Legislative Budget Board shall collect the real
4 property data of an institution of higher education, as defined by
5 Section 61.003, Education Code, from:

6 (1) the Texas Higher Education Coordinating Board, as
7 such data is reported to that board, including, for each building or
8 facility owned by an institution:

9 (A) the name of the institution that has charge
10 and control of the building or facility, including the number
11 assigned to the institution by the Federal Interagency Committee on
12 Education;

13 (B) the number or name of the building or
14 facility;

15 (C) the address and geographic coordinates of the
16 building or facility;

17 (D) a description of the building or facility,
18 including the type of construction;

19 (E) the year the building or facility was built
20 or the acquisition date of the building or facility;

21 (F) the number of stories and the square footage
22 of the building or facility;

23 (G) the occupancy type of the building or
24 facility;

25 (H) the amount of space in the building or
26 facility that is being used, expressed as a percentage;

27 (I) the value of the building or facility based

1 on replacement value; and

2 (J) information on the flood zone status of the
3 building or facility; and

4 (2) each institution of higher education, including,
5 for land owned by the institution:

6 (A) the name of the institution that has charge
7 and control of the land, including the number assigned to the
8 institution by the Federal Interagency Committee on Education;

9 (B) the address and geographic coordinates of the
10 land;

11 (C) the name of the land, if any;

12 (D) the amount of acres of the land; and

13 (E) the value of the land based on the market
14 value or acquisition value.

15 (e) The Legislative Budget Board shall report the
16 information submitted by each state agency and institution of
17 higher education to the State Office of Risk Management by a date
18 prescribed by the State Office of Risk Management.

19 (f) Not later than June 1, 2016, the State Office of Risk
20 Management shall consolidate the information received by the
21 Legislative Budget Board and enter it into a single database
22 accessible by the legislature and all state agencies and
23 institutions of higher education.

24 (g) Not later than August 31, 2016, the State Office of Risk
25 Management shall conduct the insurable state asset interim study
26 and report the office's findings and recommendations to the
27 legislature. The report must include a statewide strategy that

1 will ensure all real property owned by the state is adequately
2 insured.

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

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

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

13 (3) any efficiencies or cost savings potentially
14 achieved by requiring the General Land Office to submit the annual
15 report required under Section 31.157, Natural Resources Code, to
16 the Texas Department of Transportation, the Employees Retirement
17 System of Texas, and the Teacher Retirement System of Texas;

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

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

26 (6) the information that is currently reported by
27 state agencies and institutions of higher education regarding real

1 property of which agencies and institutions have charge and
2 control;

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

8 (8) information determined by the Legislative Budget
9 Board as necessary for the State Office of Risk Management to
10 conduct an insurable state asset study to develop a statewide
11 strategy that will ensure all real property owned by the state is
12 adequately insured;

13 (9) how often the State Office of Risk Management
14 should submit an insurable state asset study to the legislature;

15 (10) the results of the appraisal required by
16 Subsection (e) of this section, and the potential loss to the state
17 by inadequately insuring the Capitol Complex, as defined by Section
18 [443.0071](#), Government Code; and

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

23 (b) Not later than November 30, 2015, the lieutenant
24 governor shall appoint five senators to the Senate Select Committee
25 on State Real Property Data Collection, Reporting, and Assessment
26 and designate one senator to serve as the chair, and the speaker of
27 the house of representatives shall appoint five state

1 representatives to the House Select Committee on State Real
2 Property Data Collection, Reporting, and Assessment and select one
3 state representative to serve as the chair.

4 (c) The committees established under this section shall
5 convene separately at the call of the chair of the respective
6 committee, or jointly at the call of both chairs. In joint
7 meetings, the chairs of each committee shall act as joint chairs.

8 (d) Following consideration of the factors listed in
9 Subsection (a) of this section, the committees established under
10 this section shall jointly adopt recommendations and report in
11 writing any findings and adopted recommendations to the legislature
12 not later than January 13, 2017. The report, at a minimum, must
13 identify a single entity to collect information on all real
14 property owned by the state, including buildings, facilities, and
15 land.

16 (e) The committees established under this section shall
17 conduct an appraisal of all or part of the Capitol Complex, as
18 defined by Section [443.0071](#), Government Code. The appraisal must
19 be completed in a manner that ensures that the committees can comply
20 with the requirements of Subsection (a)(10) of this section. To
21 conduct the appraisal required under this subsection, the
22 committees may:

23 (1) use the services of the State Office of Risk
24 Management, including any existing appraisal contracts developed
25 by the office; or

26 (2) contract with a state certified or state licensed
27 real estate appraiser in accordance with Subchapter A, Chapter

1 2254, Government Code, and other applicable state procurement
2 practices.

3 SECTION 3. EXPIRATION. This Act expires September 1, 2017.

4 SECTION 4. EFFECTIVE DATE. This Act takes effect
5 immediately if it receives a vote of two-thirds of all the members
6 elected to each house, as provided by Section 39, Article III, Texas
7 Constitution. If this Act does not receive the vote necessary for
8 immediate effect, this Act takes effect September 1, 2015.