

BILL ANALYSIS

C.S.H.B. 3865
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Pensions, Investments & Financial Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Employees Retirement System (ERS) has owned and operated its headquarters in the Capitol Complex for decades and has recently expanded a portion of its headquarters to include space for third-party tenants as a revenue source for the Retirement Trust Fund. To support those tenants, ERS has hired a property manager to operate and maintain all aspects of the building, including security, parking, janitorial services, and the various building systems such as HVAC, elevators, electrical, and plumbing. As part of the arrangement, all the expenses of the property, including real estate taxes, building insurance, and maintenance are passed through to the tenants on a proportionate basis. Current procurement statutes and processes do not clearly contemplate a contracting structure in which ERS is the landlord of a building that utilizes a property management company with authority to source all needed services for the building and tenants. C.S.H.B. 3865 clarifies that ERS has the exclusive authority over all aspects of the purchase of goods and services related to the operations of its home office facilities used to administer the retirement system.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

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

ANALYSIS

C.S.H.B. 3865 amends the Government Code to grant to the Employees Retirement System of Texas exclusive authority over all aspects of the purchase of goods and services related to the operation of home office facilities used in administering the retirement system, including a purchase related to the administration of tenant leases in the facilities, that are made using money other than money appropriated from the general revenue fund.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

C.S.H.B. 3865 differs from the introduced in minor or nonsubstantive ways by conforming to certain bill drafting conventions.