

BILL ANALYSIS

Senate Research Center

S.B. 1831
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Employees Retirement System has owned and operated its headquarters in the Capitol Complex since 1965. Recently, a portion of the headquarters was expanded 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 triple net lease 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 where 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.

S.B. 1831 clarifies that a property management company selected by ERS can source goods and services needed to maintain and operate the ERS headquarters.

As proposed, S.B. 1831 amends current law relating to the purchase of goods and services by the Employees Retirement System of Texas to operate its home office.

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. Amends Section 811.004, Government Code, as follows:

Sec. 811.004. POWERS AND PRIVILEGES. (a) Creates this subsection from existing text.

(b) Provides that the Employees Retirement System of Texas, notwithstanding any other law, has exclusive authority over all aspects of purchases of goods and services related to the operations of its home office facilities, including purchases related to the administration of tenant leases, if such purchases are made with money other than money appropriated from general revenue.

SECTION 2. Effective date: upon passage or September 1, 2023.