

BILL ANALYSIS

Senate Research Center
88R17128 JCG-F

C.S.S.B. 1831
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Finance
3/29/2023
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Employees Retirement System (ERS) 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.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1831 amends current law relating to the purchase of certain goods and services by the Employees Retirement System of Texas.

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 815.103, Government Code, by adding Subsection (h) as follows:

(h) Provides that the Employees Retirement System of Texas (ERS) has exclusive authority over all aspects of the purchase of goods and services, notwithstanding any other law, if the purchase is:

(1) made using money other than money appropriated from the general revenue fund; and

(2) related to the operation of the home office facilities used in administering ERS, including a purchase related to the administration of tenant leases in the facilities.

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