

BILL ANALYSIS

C.S.H.B. 897
By: Howard
Land & Resource Management
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that the city of Austin is home to more than 60 state-owned properties and that although most state-owned properties are used to support state government duties and functions, some state agencies have identified properties that are no longer necessary to accomplish their mission while lacking the authority to dispose of the properties. The bill author has also informed the committee that the Texas State Library and Archives Commission has determined that the State Records Center property is damaged beyond the reasonable costs of repairs and that the Health and Human Services Commission has identified two vacant buildings for which it must maintain rising costs as the properties age. C.S.H.B. 897 seeks to address this issue by providing for the sale and lease, as applicable, of these unused buildings.

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. 897 requires the General Land Office (GLO), as soon as practicable after the bill's effective date, to offer to sell or lease specified real property located in Austin. The bill requires the GLO to negotiate and close a transaction for the sale or lease in accordance with statutory processes for real estate transactions authorized by the legislature. Proceeds from the transaction must be deposited in a new dedicated account in the general revenue fund to be known as the Bicentennial Texas State Library and Archives Commission Fund and used for the following purposes:

- capital improvements to the Sam Houston Regional Library and Research Center and the Lorenzo de Zavala State Archives and Library Building; and
- to make original source materials more accessible to the public.

The bill makes the sale or lease of that real property contingent on the construction and occupation of an alternative state records facility that replaces the facility being operated on the real property by the Texas State Library and Archives Commission on the bill's effective date.

C.S.H.B. 897 authorizes the Health and Human Services Commission (HHSC), as soon as practicable after the bill's effective date, to lease specified real property located in Austin and requires HHSC to negotiate execution of one or more leases in accordance with statutory provisions for the lease of real property related to the provision of mental health and intellectual disability services. Proceeds from a lease must be deposited in the Texas Capital Trust Fund for

the benefit of HHSC. The bill requires a lease of all or a portion of the specified real property to provide for HHSC approval and restriction of the lessee's proposed use of the property and grant HHSC easements to HHSC properties adjacent to the leased property.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 897 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the introduced required the GLO, as soon as practicable after the bill's effective date, to offer to sell specified real property located in Austin, the substitute requires the GLO, as soon as practicable after the bill's effective date, to offer to sell or lease that property.

The substitute revises provisions of the introduced requiring proceeds from the transaction for the sale or lease of the property to be deposited in the general revenue fund by specifying that such proceeds must be deposited in a new dedicated account in the general revenue fund to be known as the Bicentennial Texas State Library and Archives Commission Fund and by restricting the use of money deposited to the fund to certain purposes.

The substitute includes the following provisions absent from the introduced:

- a provision authorizing HHSC, as soon as practicable after the bill's effective date, to lease specified real property located in Austin;
- a provision requiring HHSC to negotiate execution of one or more leases in accordance with applicable statutory processes;
- a provision requiring proceeds from an authorized lease to be deposited in the Texas Capital Trust Fund for the benefit of HHSC; and
- a provision requiring a lease of all or a portion of the real property to provide for HHSC approval and restriction of the lessee's proposed use of the property and grant HHSC easements to HHSC properties adjacent to the leased property.

Whereas the introduced specified certain property to which the GLO's requirement applied as 7.5 acres of a 66 acre tract, more or less, located at 909 W. 45th Street in Austin, Travis County, Texas, and having a legal description of ALL OF OLT 80&82 DIVISION D, the substitute specifies the property to which HHSC's requirement applies as approximately 7.5 acres adjoining the south right of way line of West 45th street and the East right of way line of Lamar Blvd., located in Austin, Travis County, Texas, and furthermore being described as located in LOTS 79, 80 AND 82, DIVISION D OF THE GOVERNMENT OUTLOTS on file in the General Land Office.