

## **BILL ANALYSIS**

H.B. 3438  
By: Riddle  
State Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties explain that state law requires state agencies to advertise surplus state property on the website of the comptroller of public accounts for a specified number of days prior to disposing of the property, giving state agencies and qualified organizations a priority period to request the property before it is available to the general public. However, the interested parties argue that this current posting process is not as effective as the law anticipated. For example, the parties report that state agencies do not always review the comptroller's postings in order to take advantage of the opportunity to be first in line for a property transfer and instead contact the Texas Facilities Commission (TFC) to inquire about specific items. The parties also report that state agencies transfer property to non-qualified organizations or transfer property to organizations without assuring the proper value to the state and post the property without properly notifying the TFC. The parties further report that state agencies do not always notify the TFC of the disposition of the surplus property after the posting period expires, which often results in an agency holding on to the property for months afterward, reducing the return on sales of such items that become damaged or obsolete over time. The interested parties suggest that the TFC should become the clearinghouse for all state surplus property, among other suggestions. H.B. 3438 seeks to implement this and other remedies to address the concerns.

### **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 rulemaking authority is expressly granted to the Texas Facilities Commission in SECTION 8 of this bill.

### **ANALYSIS**

H.B. 3438 amends the Government Code to require a state agency that determines it has surplus or salvage property to inform the Texas Facilities Commission (TFC) of the property's kind, number, location, condition, original cost or value, and date of acquisition. The bill removes a provision requiring a state agency that makes such a determination to inform the TFC of that fact for the purpose of determining the method of disposal of the property. The bill transfers from the comptroller of public accounts to the TFC the responsibility to advertise on a website the surplus or salvage property's kind, number, location, and condition and changes the applicable website from the comptroller's website to the TFC's website. The bill removes a provision requiring the comptroller to advertise such property not later than the second day after the date the comptroller receives state agency notice about the property and instead requires the TFC to advertise the property after a state agency informs the TFC that it has such property. The bill specifies that surplus property listed on the TFC's website is available for transfer instead of available for sale. The bill transfers from the comptroller of public accounts to the TFC the responsibility to

remove property transferred to a state agency from the website list of surplus property for sale and changes the date for removal from not later than the second day after the date the comptroller receives the notice of the property transfer to on the date that the property is transferred. The bill authorizes the TFC by rule to establish a procedure that allows a participating state agency to receive a return on small value items through the transfer of similar items.

H.B. 3438 repeals Section 2175.182(c), Government Code.

**EFFECTIVE DATE**

September 1, 2015.