

SUBJECT: Banning public-private partnerships within the Capitol complex

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 10 ayes — Cook, Giddings, Craddick, Farrar, Frullo, Geren, Harless, Menéndez, Oliveira, Sylvester Turner

0 nays

3 absent — Hilderbran, Huberty, Smithee

SENATE VOTE: On final passage, April 4 — 30-0

WITNESSES: For — (*Registered, but did not testify:* David Lancaster, Texas Society of Architects)

Against — None

BACKGROUND: In 2011, the 82nd Legislature enacted SB 1048 by Jackson — the Public and Private Facilities and Infrastructure Act (P3 Act) — which allows governmental entities to enter into comprehensive agreements with private parties. As part of the act, Government Code, sec. 2267.053 enables private industry to submit proposals for development on government-owned land.

Government Code, ch. 2165 directs the Texas Facilities Commission to manage the state’s public buildings, grounds, and property.

Under Natural Resources Code, ch. 31, certain state lands, such as land owned by state universities, are exempted from the General Land Office’s oversight in making recommendations regarding state lands.

DIGEST: CSSB 894 would amend the P3 Act to prohibit the use of public-private partnerships (P3s) within the Capitol complex. The bill also would amend Government Code, ch. 2165 to prohibit the Texas Facilities Commission from leasing or selling real property within the Capitol Complex. The commission still would have authority to enter into certain leases, such as leasing space in state office buildings and parking garages.

The bill would amend Natural Resources Code, ch. 31 so that the General Land Office would no longer be responsible for making recommendations regarding real property within the Capitol complex.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013.

**SUPPORTERS
SAY:**

SB 894 would protect the Capitol complex by banning the use of P3s on these state lands. During Sunset review of the Texas Facilities Commission and other hearings, it appeared the commission was on a path to commercialize the Capitol complex with proposed private- partnership developments. The Capitol complex is sacred and should be preserved for all Texans, not bid out to private developers.

**OPPONENTS
SAY:**

The Capitol complex is the most valuable land Texas owns. While unsolicited P3 proposals should not be used to develop this land, the Capitol grounds could still be protected without taking P3s completely off the table. The bill should only ban the use of unsolicited P3 proposals on the Capitol grounds, which would leave the state the option of pursuing a solicited proposal based on thorough master planning with the approval of all stakeholders.

NOTES:

SB 507 by Watson, a related bill requiring that only solicited P3 proposals be allowed for the Capitol Complex and instituting a two-year moratorium on P3 projects within the complex, passed the Senate by 30-0 on April 4. The House Economic and Small Business Development Committee reported SB 507 favorably as substituted on May 8.