

## **BILL ANALYSIS**

Senate Research Center  
79R3796 QS-F

H.B. 957  
By: Pickett (Staples)  
Natural Resources  
4/8/2005  
Engrossed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

The General Land Office (GLO) is responsible for the review and analysis of the utilization of state agency real property every four years. The Asset Management Division (division) reviews, on a rotating basis, 25 percent of all state agencies' real property and produces an annual asset specific report. Current Texas law requires the division to make an analysis of each asset's "highest best use" and include the market value of the real estate. Market value is defined as "the value of real property as determined by an appraisal of the real property as performed by an appraiser." For each property that is identified as not being used or as being substantially underused, a recommendation is required to be made by the division to the commissioner of the GLO regarding the use of the property or regarding a real estate transaction involving the property.

While appraisals should be required when the GLO or a state agency sells a piece of real property, most of the state assets reviewed annually are determined to be fully utilized by the state. Many of these properties, such as office buildings in the Capitol Complex, will never be considered underutilized and will never be considered for sale.

H.B. 957 allows for only the inclusion of evidence of value as the GLO deems appropriate for property that is not recommended for a transaction.

### **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 31.156(d), Natural Resources Code, as follows:

(d) Requires the asset management division of the General Land Office (GLO) to submit to the commissioner of GLO (commissioner) information pertinent to the evaluation of a real estate transaction involving the real property, including an evaluation of any proposals received from private parties that would be of significant benefit to the state and:

(1) if the division recommends a real estate transaction involving the real property, the market value of the real property and the current market conditions;  
or

(2) if the division does not recommend a real estate transaction involving the real property, evidence of the real property's value in a form determined to be appropriate by the commissioner.

SECTION 2. Effective date: upon passage or September 1, 2005.