

BILL ANALYSIS

Senate Research Center
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S.B. 1349
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1349 authorizes the sale of the state facility in downtown Austin known as the Hobby Building due to the poor condition of the building, significant deferred maintenance obligations, and increasing annual investments necessary to maintain habitability.

The William P. Hobby building was built in 1984 (35 years ago), when building technologies and standards were significantly less demanding than today. Texas Facilities Commission (TFC) staff estimates that the building requires at least \$49.6 million in repairs for known deficiencies and has requested \$19 million for the coming biennium to meet priority health and life safety needs—including fire protection and security system updates and failing cast iron plumbing.

As proposed, S.B. 1349 amends current law relating to authorizing the sale of certain real property by the Texas Facilities Commission on behalf of the state.

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. (a) Authorizes the Texas Facilities Commission (TFC) on behalf of the state, subject to Subsections (b), (c), and (d) of this section, to convey the real property described by Section 2 of this Act.

(b) Prohibits the real property described by Section 2 of this Act from being conveyed by TFC on behalf of the state for an amount less than the fair market value of the real property. Requires the fair market value of the real property to be established by an independent appraisal obtained by the asset management division of the Texas General Land Office (GLO).

(c) Requires a local government entity with eminent domain authority within which the real property described by Section 2 of this Act is located to have the first option to purchase the real property. Requires the School Land Board to have the second option to purchase the real property.

(d) Requires the conveyance of the real property, if the real property described by Section 2 of this Act is not conveyed as authorized by Subsection (c) of this section, to be by sealed bid or by public auction. Requires GLO to negotiate and close a transaction under this subsection on behalf of TFC under Section 31.158 (Real Estate Transactions Authorized by Legislature), Natural Resources Code.

SECTION 2. Sets forth the metes and bounds of the land TFC is authorized to convey.

SECTION 3. Effective date: upon passage or September 1, 2019.