

**SUBJECT:** Conducting an inventory of real property owned by the state

**COMMITTEE:** Land and Resource Management — committee substitute recommended

**VOTE:** 7 ayes — Deshotel, E. Thompson, Bell, Cyrier, Krause, Lucio, Sanford  
0 nays

**WITNESSES:** For — None  
Against— None  
  
On — (*Registered, but did not testify:* Mark McAnally, General Land Office; Robert Siddall, GLO; Michelle Tooley and Stephen Vollbrecht, State Office of Risk Management; Chris Connealy, Texas Department of Insurance, State Fire Marshal's Office; Jess Berglund, Texas Department of Transportation; Thomas Keaton, Texas Higher Education Coordinating Board; Wayne Pulver, Legislative Budget Board; Kirk Tames, The University of Texas System)

**BACKGROUND:** Currently there is no comprehensive and accurate system for collecting and reporting information related to the state's real property. Some observers have noted that a one-time inventory could benefit the state in providing an accurate picture of the state's holdings, and a study of the benefits and burdens of maintaining such information going forward could help to determine the appropriate next step.

**DIGEST:** CSHB 3750 would require the State Office of Risk Management (SORM) to conduct an interim study on insurable state assets to develop a statewide strategy to ensure that all real property owned by the state, including buildings, facilities, and land, was adequately insured. The bill would require SORM to use information provided by the Legislative Budget Board (LBB).  
  
The LBB would be required to collect information from state agencies and institutions of higher education that possess real property. It would

coordinate with various state agencies to collect the information.

The bill would require comprehensive real property data to be collected for each state-owned building or facility other than higher education institutions. The data would include:

- identifying and descriptive information about the building or facility;
- information about the building or facility's protection systems and features;
- information about the value of the building or facility and its contents and the fund from which it was purchased; and
- information about any surrounding use of the building or facility.

Similar information about real property of an institution of higher education would be collected from the Texas Higher Education Coordinating Board.

The LBB also would be required to collect specific data on state-owned land, which would include:

- the land's address and name (if any), its geographic coordinates, and the name of the agency that had charge of and control of it;
- the presence of any historical marker located on the land and, if so, a description of the marker;
- the size, value, surrounding uses of the land and whether it was located in flood plain; and
- the fund from which the land was purchased.

The bill would require the LBB to collect similar information about land owned by an institution of higher education. For both state-owned land and land owned by a college or university, the bill would require the collection of the number assigned by the Federal Interagency Committee on Education.

CSHB 3750 would require that the LBB report the collected information

to SORM by a date set by the office. SORM would consolidate the information received and make it available to the Legislature, state agencies, and institutions of higher education by June 1, 2016.

The bill also would require that SORM complete an interim study on insurable state assets — including findings, recommendations, and the statewide study — and report it to the Legislature by August 31, 2016.

The bill also would establish select committees on State Real Property Data Collection, Reporting, and Assessment in both houses of the Legislature to separately or jointly study issues associated with real property owned by the state. Issues to be studied by the committees would include the potential benefits of maintaining a comprehensive database of all real property owned by the state and the potential financial loss to the state that could result from the state owning uninsured and underinsured real property. Chairs and members of both committees would be appointed by November 30, 2015. The bill would require that the select committees issue a report, including findings and recommendations jointly adopted based on the issues specified in the bill, to the Legislature by January 13, 2017.

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, 2015.