

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 834
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State Affairs
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Committee Report (Substituted)

DIGEST AND PURPOSE

The efficiency of Texas' system for disposing of surplus property may be improved by selling the property through Internet auction sites, providing immediate postings that prevent property value depreciation, minimizing sales costs associated with hard-copy distribution of surplus property notifications, and minimizing storage costs associated with a required month-long advertising period. C.S.H.B. 834 requires the comptroller to advertise surplus property on the comptroller's web site, shortens the amount of time during which entities coordinate the transfer of property, and provides for the sale of property through Internet auction sites.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the General Services Commission in SECTION 1 (Section 2175.129, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapters 2175C and D, Government Code, as follows:

SUBCHAPTER C. New heading: DIRECT TRANSFER OR OTHER DISPOSITION OF SURPLUS OR SALVAGE PROPERTY BY STATE AGENCY

Sec. 2175.121. STATE AGENCY NOTICE TO COMMISSION AND COMPTROLLER. Requires a state agency that determines it has surplus or salvage property to inform the General Services Commission (commission) and the comptroller of the property's kind, number, location, condition, original cost or value, and date of acquisition.

Sec. 2175.122. DETERMINING METHOD OF DISPOSAL. Requires a state agency, based on the condition of the property, to make a certain determination. Requires the state agency to inform the commission and the comptroller of its determination.

Sec. 2175.123. COMMISSION NOTICE TO OTHER ENTITIES. Redesignates existing text of Section 2175.122 as Section 2175.123. Requires the commission, after a determination that a state agency has surplus property, rather than surplus or salvage property, to inform certain entities of the comptroller's website that lists surplus property that is available for sale. Deletes existing text regarding certain properties of the property.

Sec. 2175.124. ADVERTISING ON COMPTROLLER WEBSITE. Requires the comptroller, not later than the second day after a certain date, to advertise certain properties of the property on the comptroller's website.

Sec. 2175.125. DIRECT TRANSFER. Redesignates existing text of Section 2175.123 as Section 2175.125. Authorizes certain entities, during the 10 business days, rather than the 30 days, after a certain date, rather than following dissemination of certain information, to coordinate directly with the reporting state agency for a transfer of the property at a price

established by the reporting agency.

Sec. 2175.126. NOTICE OF TRANSFER TO COMPTROLLER; ADJUSTMENT OF APPROPRIATIONS AND PROPERTY ACCOUNTING RECORDS; REMOVAL FROM WEBSITE. Redesignates existing text of Section 2175.124 as Section 2175.126. Requires the comptroller, not later than the second day after a certain date, to remove property from the list of surplus property for sale on the comptroller's website.

Sec. 2175.127. PRIORITY FOR TRANSFER TO STATE AGENCY. Redesignates existing text of Section 2175.125 as Section 2175.127. Makes conforming changes.

Sec. 2175.128. DISPOSITION OF DATA PROCESSING EQUIPMENT. Redesignates existing text of Section 2175.126 as Section 2175.128. Requires the state agency, if a disposition of a state agency's surplus or salvage data processing equipment is not made under Section 2175.125, rather than this subchapter, to transfer the equipment to the Texas Department of Criminal Justice.

Deletes the heading of Subchapter D.

Sec. 2175.129. DISPOSITION BY COMPETITIVE BIDDING, AUCTION, OR DIRECT SALE. Redesignates existing text of Section 2175.181 as Section 2175.129. Requires the commission, if a disposition of a state agency's surplus property is not made under Section 2175.125, to take certain enumerated action. Requires the commission or a state agency to which authority is delegated under Subsection (a)(2) or under Section 2175.065 to make a certain determination. Requires the commission to adopt rules establishing guidelines for making that determination. Requires the commission or state agency, in using an Internet auction site to sell surplus property under this section, to post the property on the site for at least 10 days.

Sec. 2175.130. DISPOSITION BY DIRECT SALE TO PUBLIC. Authorizes the commission or agency, under certain conditions, to sell surplus or salvage property directly to the public. Requires the commission, in cooperation with certain state agencies, to set a fixed price for the property.

Sec. 2175.131. PURCHASER'S FEE. Redesignates existing text of Section 2175.182 as Section 2175.131. Requires the commission or a state agency disposing of property by a method other than direct transfer under this subchapter to collect a fee from the purchaser. Requires the commission or state agency to set the fee at a certain calculated amount.

Sec. 2175.132. ADVERTISEMENT OF SALE. Redesignates existing text of Section 2175.183 as Section 2175.132.

Sec. 2175.133. REPORTING SALE; PROPERTY ACCOUNTING ADJUSTMENT. Redesignates existing text of Section 2175.184 as Section 2175.133.

Sec. 2175.134. PROCEEDS OF SALE. Redesignates existing text of Section 2175.185 as Section 2175.134. Requires the proceeds from the sale of surplus or salvage property, less certain costs and fees, to be deposited to the credit of the appropriate appropriation item of the state agency for which the sale was made. Makes a conforming change.

Sec. 2175.135. PURCHASER'S TITLE. Redesignates existing text of Section 2175.186 as Section 2175.135. Provides that a purchaser of surplus property at a sale conducted under certain sections obtains good title to the property under certain conditions.

SECTION 2. Amends Section 403.271(a), Government Code, to make a conforming change.

SECTION 3. Amends Section 2155.084(c), Government Code, to make a conforming change.

SECTION 4. Amends Chapter 2175, Government Code, to redesignate Subchapter E as Subchapter D.

SECTION 5. Amends Chapter 2175, Government Code, to redesignate Subchapter F as Subchapter E.

SECTION 6. Amends Chapter 2175, Government Code, to redesignate Subchapter G as Subchapter F.

SECTION 7. Effective date: September 1, 2001.