

## **BILL ANALYSIS**

Senate Research Center

S.B. 1745  
By: Haywood  
State Affairs  
5/4/2001  
As Filed

### **DIGEST AND PURPOSE**

Currently, a governmental entity is authorized to lease space to a private business. These entities do so in direct competition with private enterprise. Government entities do not pay ad valorem taxes and thus are at a competitive advantage over the private sector. This creates unfair competition between government and private business. As proposed, S.B. 1745 prohibits the lease of office building space by government entities.

### **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 Title 10E, Government Code, by adding Chapter 2206, as follows:

#### **CHAPTER 2206. LEASING OF GOVERNMENT PROPERTY**

Sec. 2206.001. DEFINITION. Defines "state or local governmental entity."

Sec. 2206.002. EXCEPTION. Provides that this chapter does not apply to certain institutions of higher education and to public school districts.

Sec. 2206.003. GENERAL PROHIBITION ON LEASING GOVERNMENT PROPERTY. Prohibits a state or local governmental entity from leasing or subleasing space in an office building owned or leased by the governmental entity to another state or local governmental entity or a private entity. Provides that this section does not apply to certain leases. Provides that this section does not apply to the lease of space in an office building for a vending facility.

SECTION 2. Effective date: September 1, 2001.