

BILL ANALYSIS

Senate Research Center

S.B. 646
By: Birdwell et al.
Business & Commerce
5/24/2019
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

During the Sunset Advisory Commission's 2018–2019 review cycle, it was identified that certain self-directed semi-independent (SDSI) agencies lack a clear policy to develop their building reserve funds. Given their relative autonomy, it is critical that SDSI agencies responsibly set aside building reserve funds, without compromising funding for other core services. Conflating the issue further is a lack of uniformity related to property acquisition, construction project procedures, and statutory authorizations for all SDSI agencies.

S.B. 646 seeks to provide a uniform, systematic procedure for all SDSI agencies wishing to purchase property or construct projects.

First, this bill requires an SDSI agency to work with the Texas Facilities Commission (TFC) to properly identify both an agency's purchase or project needs and the availability of state-owned property or buildings that may satisfy those needs. Subsequently, SDSI agencies must obtain written authorization from the governor before allocating money to an agency's building reserve fund.

It is the intent of this legislation to analyze an SDSI agency's purchase or construction needs, encourage a more responsible approach in utilizing state-owned resources, and accurately identify costs associated with property purchases or construction projects prior to the allocation of money to a building reserve fund. (Original Author's/Sponsor's Statement of Intent)

S.B. 646 amends current law relating to approval for purchases of property or construction projects by a state agency with self-directed semi-independent status.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the governor in SECTION 1 (Section 2165.261, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter F, Chapter 2165, Government Code, by adding Section 2165.261, as follows:

Sec. 2165.261. PROPERTY PURCHASES AND CONSTRUCTION PROJECTS BY SELF-DIRECTED SEMI-INDEPENDENT AGENCIES. (a) Provides that this section applies only to a state agency that has self-directed semi-independent status under state law.

(b) Requires a state agency, notwithstanding Chapter 472 (Self-Directed Semi-Independent Agencies) of this code, Chapter 16 (Financial Regulatory Agencies: Self-Directed and Semi-Independent), Finance Code, Chapter 1105 (Self-Directed and Semi-Independent Status of Texas Real Estate Commission), Occupations Code, or any other law other than this subsection, to obtain written authorization from the governor before allocating money for the purchase of real property or to construct a building on real property. Provides that this subsection

does not limit the authority of the legislature under other law to authorize construction projects or the purchase of real property.

(c) Requires a state agency, to apply for authorization under this section, in accordance with procedures prescribed by the governor, to

(1) submit to the Texas Facilities Commission (TFC) a detailed description of the proposed property purchase or construction project and the agency's need for the purchase or project, and a request for an analysis by TFC or any available state property or building that satisfies the agency's need; and

(2) submit to the governor a written request for authorization for the purchase or project that includes the detailed description submitted under Subdivision (1)(A), the total amount of money required to complete the purchase or project, and the agency's justification for the purchase or project, and the analysis obtained from TFC under Subdivision (1)(B).

(d) Requires a state agency that receives written authorization under Subsection (c) to collaborate with TFC with respect to the purchase or project and notify TFC and the Texas General Land Office on completion of the purchase or project.

(e) Authorizes the governor to adopt rules necessary to implement this section.

SECTION 2. (a) Requires the governor, as soon as practicable after the effective date of this Act, to prescribe the procedures and authorizes the governor to adopt any rules necessary to implement Section 2165.261, Government Code, as added by this Act. Authorizes the governor to adopt the initial rules in the manner provided by law for emergency rules.

(b) Provides that, not later than January 1, 2020, and in accordance with procedures prescribed by the governor, a state agency with self-directed semi-independent status under state law that before the effective date of this Act allocated money to purchase real property or construct a building on real property and has not completed the purchase or has not begun the construction, as applicable:

(1) is required to submit to the governor a detailed description of the proposed purchase or project, including the amount of money previously allocated by the agency for the purchase or project, the amount of money required to complete the purchase or project, and the agency's justification for the purchase or project; and

(2) is prohibited from allocating additional money for the purchase or project unless the agency receives written authorization for the purchase or project from the governor in accordance with Section 2165.261, Government Code, as added by this Act, and any rules adopted under that section.

SECTION 3. Effective date: September 1, 2019.