

HB 2289 -- REAL ESTATE FUND

SPONSOR: Owen

COMMITTEE ACTION: Voted "Do Pass" by the Special Committee on Intergovernmental Affairs by a vote of 10 to 3 with 1 member voting present.

This bill creates a dedicated Real Estate Fund in the State treasury. The bill requires that all proceeds from the sale of state-owned real property be deposited into the fund and used solely for the acquisition of real property to support state operations. The State Treasurer serves as custodian of the Fund and may invest fund moneys, with interest credited back to the Fund.

Further, the bill provides that balances remaining at the end of a biennium shall not revert to General Revenue and requires the Commissioner of Administration to submit an annual report of all fund receipts and expenditures.

PROPOSERS: Supporters say that this fund allows money to be moved efficiently to allow the State to manage their owned properties. Quick, nimble action is important in the purchase and sale of real estate. When a building needs to be purchased or sold, that money is kept available to be used on real estate purchases when the timing, price, and location are correct. Consolidating buildings, downsizing, expanding, and other real estate investments are heavily encumbered by the current process. When the Office of Administration determines that a purchase is beneficial, our process shouldn't hinder them. The year-long appropriation process leads to missed opportunities, and when a seller knows the budgeted line-item, the State loses bargaining power.

Testifying in person for the bill were Representative Owen; and Hannah Swann, Office of Administration.

OPPOSERS: There was not opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.