

House Study Bill 765 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON MOHR)

A BILL FOR

- 1 An Act relating to the review and sale of state buildings.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **8A.321A State property**
2 **optimization.**

3 1. For purposes of this section:

4 a. "State building" means the same as defined in section
5 8A.318.

6 b. "Underutilized property" means a property that has an
7 occupancy rate of less than fifty percent or for which the cost
8 of operations and deferred maintenance exceeds the current market
9 value or replacement cost of the state building.

10 2. The director shall maintain a digital inventory of all
11 state buildings. The digital inventory must be available on the
12 department's internet site.

13 3. The director shall establish a four-year review cycle.
14 In each fiscal year, the department shall review and evaluate
15 at least twenty-five percent of the state's building inventory.
16 The evaluation must assess the utilization, condition, operating
17 costs, and market value of each property. The director may
18 contract with a third party to perform the review and evaluation.

19 4. On or before December 1 of each year, the director shall
20 submit a state building optimization report to the governor
21 and the general assembly. The report must identify each state
22 building found to be an underutilized property during the review
23 cycle.

24 5. An agency in control of a state building identified as an
25 underutilized property in the state building optimization report
26 shall, within sixty days of the report's release, initiate the
27 process to vacate and dispose of the property.

28 6. If an agency seeks to retain an underutilized property,
29 the agency head must submit a written request justifying
30 retention to the legislative council detailing the necessity of
31 the property for the agency's mission and a plan to improve the
32 utilization of the state building within twelve months.

33 a. The agency shall not base a retention request on any of
34 the following:

35 (1) Anticipated future growth that is not funded in the

1 current fiscal year's appropriation.

2 (2) Storage of obsolete records or equipment that can be
3 digitized or disposed of.

4 (3) Convenience of location for staff.

5 b. The agency must demonstrate, with quantitative data, that
6 no other currently owned state building can accommodate the
7 agency's needs, and that the cost of retaining the underutilized
8 property is lower than the cost of leasing comparable private
9 sector space.

10 c. If the property requires deferred maintenance that costs
11 more than ten percent of the property's value to become
12 fully functional, the agency must provide proof of all of the
13 following:

14 (1) Funding for the repairs has already been appropriated or
15 secured or will be sought during the next session of the general
16 assembly.

17 (2) A contract for the repairs is ready to be executed within
18 ninety days of receiving funding.

19 7. Subsections 5 and 6 do not apply to underutilized property
20 at a location required by law.

21 8. The legislative council may reject a retention
22 justification plan by majority vote. If rejected, the agency
23 shall immediately proceed with disposal of the property.

24 9. Fifty percent of the net proceeds from the sale of an
25 underutilized property under this section shall be deposited in
26 the rebuild Iowa infrastructure fund created in section 8.57.
27 The remaining fifty percent shall be deposited in the general
28 fund of the state.

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EXPLANATION

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The inclusion of this explanation does not constitute agreement with

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the explanation's substance by the members of the general assembly.

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This bill requires the director of the department of
33 administrative services (department) to maintain a digital
34 inventory of all state buildings on the department's internet
35 site and to establish a four-year review cycle of the state's

1 building inventory. The evaluation must assess the utilization,
2 condition, operating costs, and market value of each property.
3 The director may contract with a third party to perform the
4 review and evaluation. The director must submit an annual state
5 building optimization report to the governor and the general
6 assembly that identifies each state building found to be an
7 underutilized property, defined in the bill, during the review
8 cycle.

9 The bill provides that an agency in control of an
10 underutilized property must, within 60 days of the report's
11 release, begin the process to vacate and dispose of the property.
12 If an agency wants to retain an underutilized property, the
13 agency head must submit a written retention justification to the
14 legislative council detailing the necessity of the property for
15 the agency's mission and a plan to improve the utilization of
16 the state building within 12 months. The legislative council
17 may reject a retention justification plan by majority vote. If
18 rejected, the agency must immediately proceed with disposal of
19 the property. Half of the net proceeds from the sale of an
20 underutilized property shall be deposited in the rebuild Iowa
21 infrastructure fund and half shall be deposited in the general
22 fund of the state.