

**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:

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  
9 market 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  
12 the 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,  
17 operating costs, and market value of each property. The  
18 director may contract with a third party to perform the review  
19 and evaluation.

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

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

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

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

1 (1) Anticipated future growth that is not funded in the  
2 current fiscal year's appropriation.

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

5 (3) Convenience of location for staff.

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

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

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

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

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

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

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

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with  
32 the explanation's substance by the members of the general assembly.

33 This bill requires the director of the department of  
34 administrative services (department) to maintain a digital  
35 inventory of all state buildings on the department's internet

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

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