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Short Title: State Agency Property Use/Biennial Report.

(Public)

Sponsors:

Referred to:

January 31, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE STATE AGENCIES TO BIENNIALLY REPORT TO THE
3 DEPARTMENT OF ADMINISTRATION AND TO THE PROGRAM EVALUATION
4 DIVISION ON THEIR USE OF REAL PROPERTY, AND TO REQUIRE STATE
5 AGENCIES TO REPORT ANNUALLY THE AMOUNT OF REVENUE GENERATED
6 DURING THE PREVIOUS CALENDAR YEAR FROM THE LEASING OF SPACE ON
7 AGENCY PROPERTY.

8 The General Assembly of North Carolina enacts:

9 SECTION 1. Chapter 143 of the General Statutes is amended by adding a new
10 Article to read:

11 "Article 80.

12 "Reporting on State Agency Use of Real Property.

13 "**§ 143-750. Definitions.**

14 The following definitions apply in this Article:

- 15 (1) Real property. – A parcel of land, a building, or space within a building. This
16 term does not include right-of-way property allocated to the Department of
17 Transportation.
- 18 (2) State agency. – A unit of the executive or judicial branch of State
19 government, such as a department, an institution, a division, a commission, a
20 board, a council, or The University of North Carolina. The term does not
21 include a unit of local government or a public authority.
- 22 (3) Underutilized property. – Real property that contains substantial space or
23 facilities that are currently not used on a regular basis by the State agency
24 that owns or leases the property or to which the property is allocated.
- 25 (4) Unused property. – Real property that is vacant or that is not used for a
26 current program or purpose of the State agency. This term includes real
27 property that is designated for a particular current or future use but that is not
28 actually currently used for that program or purpose.

29 "**§ 143-751. Duty to analyze real property use every two years.**

30 Each State agency shall analyze each piece of real property owned by, allocated to, or
31 leased by it at least every two years in order to determine if the property is unused property or
32 underutilized property.

33 "**§ 143-752. State agencies shall biennially report on real property use.**

34 On or before September 1 of each even-numbered year, each State agency shall report to
35 the Department of Administration and to the Program Evaluation and Fiscal Research Divisions



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1 of the General Assembly on its use of real property. The report shall include all of the
2 following, set forth in separate sections of the report:

- 3 (1) Summary information about the amount of real property allocated to, owned
4 by, and leased by the State agency.
- 5 (2) Detailed information about each piece of real property allocated to, owned
6 by, and leased by the State agency, including, as appropriate, all of the
7 following:
 - 8 a. The location of the property, including the latitude and longitude of
9 the center of the building or parcel of real property.
 - 10 b. The square footage or acreage of the property.
 - 11 c. The total amount paid by the State to acquire the property, including
12 any costs associated with the purchase.
 - 13 d. The nature of the State agency's interest in the property.
 - 14 e. The condition of the property.
 - 15 f. The current use of the property.
 - 16 g. An estimate of how much of the property is underutilized or a
17 statement that the property is unused, as applicable.
 - 18 h. The terms of any lease for property, including information about
19 lease renewal options.
 - 20 i. Floor plan and other spatial information about the property.
- 21 (3) Detailed information about any real property allocated to, owned by, or
22 leased by the State agency that is unused property or underutilized property,
23 without regard to whether the property has been deemed surplus as of the
24 date of the report. If property is unused property or underutilized property
25 but the State agency has not notified the Department of Administration that
26 it is surplus, this section of the report shall include an explanation of why the
27 State agency has not so notified the Department.
- 28 (4) Detailed information about any real property designated surplus pursuant to
29 G.S. 143-753.
- 30 (5) Highlights of any differences between the information contained in the
31 report and the information contained in the most recent report submitted
32 pursuant to this section.
- 33 (6) Any additional information about the State agency's real property use
34 requested by the Department of Administration or by the Program
35 Evaluation Division of the General Assembly.

36 **"§ 143-753. Automatic designation of certain unused and underutilized property as**
37 **surplus property.**

38 Any piece of real property owned by or allocated to a State agency that was designated as
39 unused property or underutilized property on the most recent report submitted pursuant to
40 G.S. 143-752 and that is unused property or underutilized property on the date that the
41 subsequent report is due under that section shall automatically be designated surplus property
42 and shall be reported in the section of the report required by G.S. 143-752(4). The designation
43 of a piece of real property as surplus pursuant to this section shall in no way affect the
44 applicability of Chapter 146 of the General Statutes to any disposition of that property.

45 **"§ 143-754. Department of Administration shall assist State agencies.**

46 When requested to do so, the Department of Administration shall assist a State agency in its
47 efforts to comply with this Article by providing property records in the possession of the
48 Department to the requesting State agency.

49 **"§ 143-755. State agencies shall report on revenues generated from leasing State**
50 **property.**

1 On or before February 1 of each year, each State agency shall report to the Chairs of the
2 House Appropriations Committee, the Chairs of the Senate Appropriations/Base Budget
3 Committee, and to the Fiscal Research Division of the General Assembly the amount of
4 revenue generated through leasing space on property owned by or allocated to the State agency
5 during the previous year."

6 **SECTION 2.** G.S. 143C-8-4(a) reads as rewritten:

7 "**§ 143C-8-4. Agency capital improvement needs estimates.**

8 (a) Needs Estimate Required. – On or before September 1 of each even-numbered year,
9 each State agency shall submit to the Office of State Budget and Management and to the
10 Division of Fiscal Research a six-year capital improvement needs estimate and the report
11 required by G.S. 143-752. This estimate shall describe the agency's anticipated capital needs for
12 each year of the six-year planning period. Capital improvement needs estimates shall be shown
13 in two parts."

14 **SECTION 3.** This act is effective when it becomes law.