

110<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5787

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IN THE SENATE OF THE UNITED STATES

MAY 22, 2008

Received; read twice and referred to the Committee on Homeland Security and  
Governmental Affairs

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## AN ACT

To amend title 40, United States Code, to enhance authorities with regard to real property that has yet to be reported excess, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Federal Real Property  
3 Disposal Enhancement Act of 2008”.

4 **SEC. 2. FINDINGS AND PURPOSES.**

5 (a) FINDINGS.—Congress finds the following:

6 (1) In January 2003, the Government Account-  
7 ability Office identified Federal real property as a  
8 high-risk area, citing excess property as a long-  
9 standing problem.

10 (2) The magnitude of the problem with excess  
11 Federal real property continues to put the govern-  
12 ment at risk for lost dollars and missed opportuni-  
13 ties.

14 (3) The Administration has stated its goal is to  
15 reduce the size of the Federal real property inven-  
16 tory by 5 percent, or \$15 billion, by disposing of  
17 unneeded assets by 2015.

18 (4) The Federal inventory includes many prop-  
19 erties that are no longer relevant to agencies’ mis-  
20 sions and agencies are spending billions of dollars to  
21 maintain these unneeded properties.

22 (5) The costs of preparing a property for trans-  
23 fer or sale continue to hamper some agencies’ efforts  
24 to address their unneeded properties and serve as a  
25 disincentive to disposal because, in the short-term, it  
26 can be more beneficial economically to maintain a

1 property that is not being used than to dispose of  
2 it.

3 (6) Agencies should give greater attention to  
4 right-sizing their real property portfolios.

5 (b) PURPOSE.—The purpose of this Act is to reduce  
6 the Federal inventory of unneeded and costly property.

7 **SEC. 3. DUTIES OF THE GENERAL SERVICES ADMINISTRA-**  
8 **TION AND EXECUTIVE AGENCIES.**

9 (a) IN GENERAL.—Section 524 of title 40, United  
10 States Code, is amended to read as follows:

11 **“§ 524. Duties of the General Services Administration**  
12 **and executive agencies**

13 “(a) DUTIES OF THE GENERAL SERVICES ADMINIS-  
14 TRATION.—

15 “(1) GUIDANCE.—The Administrator shall  
16 issue guidance for the development and implementa-  
17 tion of agency real property plans. Such guidance  
18 shall include recommendations on—

19 “(A) how to identify excess properties;

20 “(B) how to evaluate the costs and benefits  
21 involved with disposing of real property;

22 “(C) how to prioritize disposal decisions  
23 based on agency missions and anticipated fu-  
24 ture need for holdings; and

1           “(D) how best to dispose of those prop-  
2           erties identified as excess to the needs of the  
3           agency.

4           “(2) ANNUAL REPORT.—The Administrator  
5           shall submit an annual report, for each of the first  
6           5 years after 2008, to the Committee on Oversight  
7           and Government Reform of the House of Represent-  
8           atives and the Committee on Homeland Security and  
9           Governmental Affairs of the Senate, based on data  
10          submitted from all executive agencies, detailing exec-  
11          utive agency efforts to reduce their real property as-  
12          sets.

13          “(3) ASSISTANCE.—The Administrator shall as-  
14          sist executive agencies in the identification and dis-  
15          posal of excess real property.

16          “(b) DUTIES OF EXECUTIVE AGENCIES.—

17                 “(1) IN GENERAL.—Each executive agency  
18                 shall—

19                         “(A) maintain adequate inventory controls  
20                         and accountability systems for property under  
21                         its control;

22                         “(B) continuously survey property under  
23                         its control to identify excess property;

24                         “(C) promptly report excess property to  
25                         the Administrator;

1           “(D) perform the care and handling of ex-  
2           cess property; and

3           “(E) transfer or dispose of excess property  
4           as promptly as possible in accordance with au-  
5           thority delegated and regulations prescribed by  
6           the Administrator.

7           “(2) SPECIFIC REQUIREMENTS WITH RESPECT  
8           TO REAL PROPERTY.—With respect to real property,  
9           each executive agency shall—

10           “(A) develop and implement a real prop-  
11           erty plan in order to identify properties to de-  
12           clare as excess using the guidance issued under  
13           subsection (a)(1);

14           “(B) identify and categorize all real prop-  
15           erty owned, leased, or otherwise managed by  
16           the agency;

17           “(C) establish adequate goals and incen-  
18           tives that lead the agency to reduce excess real  
19           property in its inventory;

20           “(D) when appropriate, use the authorities  
21           in section 572(a)(2)(B) of this title in order to  
22           identify and prepare real property to be re-  
23           ported as excess.

24           “(3) ADDITIONAL REQUIREMENTS.—Each exec-  
25           utive agency, as far as practicable, shall—

1           “(A) reassign property to another activity  
 2           within the agency when the property is no  
 3           longer required for the purposes of the appro-  
 4           priation used to make the purchase;

5           “(B) transfer excess property under its  
 6           control to other Federal agencies and to organi-  
 7           zations specified in section 321(c)(2) of this  
 8           title; and

9           “(C) obtain excess properties from other  
 10          Federal agencies to meet mission needs before  
 11          acquiring non-Federal property.”.

12          (b) CLERICAL AMENDMENT.—The item relating to  
 13          section 524 in the table of sections at the beginning of  
 14          chapter 5 of such title is amended to read as follows:

“524. Duties of the General Services Administration and executive agencies.”.

15      **SEC. 4. ENHANCED AUTHORITIES WITH REGARD TO PRE-**  
 16                           **PARING PROPERTIES TO BE REPORTED AS**  
 17                           **EXCESS.**

18          Section 572(a)(2) of title 40, United States Code, is  
 19          amended—

20               (1) by redesignating subparagraphs (B) and  
 21               (C) as subparagraphs (C) and (D), respectively; and

22               (2) by inserting after subparagraph (A) the fol-  
 23          lowing new subparagraph:

24                       “(B) ADDITIONAL AUTHORITY.—(i) From  
 25                       the fund described in paragraph (1), subject to

1 clause (iv), the Administrator may obligate an  
2 amount to pay the direct and indirect costs re-  
3 lated to identifying and preparing properties to  
4 be reported excess by another agency.

5 “(ii) The General Services Administration  
6 may be reimbursed from the proceeds of the  
7 sale of such properties for such costs.

8 “(iii) Net proceeds shall be dispersed pur-  
9 suant to section 571 of this title.

10 “(iv) The authority under clause (i) to ob-  
11 ligate funds to prepare properties to be reported  
12 excess does not include the authority to convey  
13 such properties by sale, lease, exchange, or oth-  
14 erwise, including through leaseback arrange-  
15 ments.

16 “(v) Nothing in this subparagraph is in-  
17 tended to affect subparagraph (D).”

18 **SEC. 5. ENHANCED AUTHORITIES WITH REGARD TO RE-**  
19 **VERTED REAL PROPERTY.**

20 (a) **AUTHORITY TO PAY EXPENSES RELATED TO RE-**  
21 **VERTED REAL PROPERTY.**—Section 572(a)(2)(A) of title  
22 40, United States Code, is amended by adding at the end  
23 the following:

1                   “(iv) The direct and indirect costs as-  
2                   sociated with the reversion, custody, and  
3                   disposal of reverted real property.”.

4           (b) REQUIREMENTS RELATED TO SALES OF RE-  
5   VERTED PROPERTY UNDER SECTION 550.—Section  
6   550(b)(1) of title 40, United States Code, is amended—

7           (1) by inserting “(A)” after “(1) IN GEN-  
8           ERAL.—”; and

9           (2) by adding at the end the following: “If the  
10           official, in consultation with the Administrator, rec-  
11           ommends reversion of the property, the Adminis-  
12           trator shall take control of such property, and, sub-  
13           ject to subparagraph (B), sell it at or above ap-  
14           praised fair market value for cash and not by lease,  
15           exchange, or leaseback arrangements.

16           “(B) Prior to sale, the Administrator shall  
17           make such property available to State and local gov-  
18           ernments and certain non-profit institutions or orga-  
19           nizations pursuant to this section and sections 553  
20           and 554 of this title.”.

21           (c) REQUIREMENTS RELATED TO SALES OF RE-  
22   VERTED PROPERTY UNDER SECTION 553.—Section  
23   553(e) of title 40, United States Code, is amended—

24           (1) by inserting “(1)” after “THIS SECTION.—  
25           ”; and



1           (2) by adding at the end the following: “If the  
2 Administrator determines that reversion of the prop-  
3 erty is necessary to enforce compliance with the  
4 terms of the conveyance, the Administrator shall  
5 take control of such property and, subject to para-  
6 graph (2), sell it at or above appraised fair market  
7 value for cash and not by lease, exchange, or lease-  
8 back arrangements.

9           “(2) Prior to sale, the Administrator shall make such  
10 property available to State and local governments and cer-  
11 tain non-profit institutions or organizations pursuant to  
12 this section and sections 550 and 554 of this title.”.

13           (d) REQUIREMENTS RELATED TO SALES OF RE-  
14 VERTED PROPERTY UNDER SECTION 554.—Section  
15 554(f) of title 40, United States Code, is amended—

16           (1) by inserting “(1)” after “THIS SECTION.—  
17 ”; and

18           (2) by adding at the end the following: “If the  
19 Secretary, in consultation with the Administrator,  
20 recommends reversion of the property, the Adminis-  
21 trator shall take control of such property and, sub-  
22 ject to paragraph (2), sell it at or above appraised  
23 fair market value for cash and not by lease, ex-  
24 change, or leaseback arrangements.

1       “(2) Prior to sale, the Administrator shall make such  
2 property available to State and local governments and cer-  
3 tain non-profit institutions or organizations pursuant to  
4 this section and sections 550 and 553 of this title.”.

5 **SEC. 6. AGENCY RETENTION OF PROCEEDS.**

6       The text of section 571 of title 40, United States  
7 Code, is amended to read as follows:

8       “(a) DEPOSIT OF PROCEEDS.—Net proceeds de-  
9 scribed in subsection (d) shall be deposited into the appro-  
10 priate real property account of the agency that had cus-  
11 tody and accountability for the real property. Such funds  
12 shall be expended only as authorized in annual appropria-  
13 tions Acts and only for activities as described in section  
14 524(b) of this title and disposal activities, including paying  
15 costs incurred by the General Services Administration for  
16 any disposal-related activity authorized by this title. Pro-  
17 ceeds shall not be expended for activities or projects sub-  
18 ject to the requirements of section 3307 of this title.

19       “(b) EFFECT ON OTHER SECTIONS.—Nothing in this  
20 section is intended to affect section 572(b) or 574 of this  
21 title.

22       “(c) DISPOSAL AGENCY FOR REVERTED PROP-  
23 erty.—For the purposes of this section, the General Serv-  
24 ices Administration, as the disposal agency, shall be treat-  
25 ed as the agency with custody and accountability for prop-

1 erties which revert to the United States under sections  
2 550, 553, and 554 of this title.

3 “(d) PROCEEDS.—The net proceeds referred to in  
4 subsection (a) are proceeds under this chapter from a—

5 “(1) transfer of excess property to a federal  
6 agency for agency use; or

7 “(2) sale, lease, or other disposition of surplus  
8 property.”.

Passed the House of Representatives May 21, 2008.

Attest: LORRAINE C. MILLER,  
*Clerk.*