

Union Calendar No. 412

110TH CONGRESS
2^D SESSION

H. R. 5787

[Report No. 110-651]

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.

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 2008

Mr. MOORE of Kansas (for himself and Mr. DUNCAN) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

MAY 15, 2008

Additional sponsors: Mrs. BOYDA of Kansas, Mr. BURTON of Indiana, Mr. SHAYS, Mr. TOWNS, Mr. WAXMAN, Mr. BOYD of Florida, Ms. HARMAN, Mr. HILL, and Mr. TANNER

MAY 15, 2008

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on April 14, 2008]

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Federal Real Property*
5 *Disposal Enhancement Act of 2008”.*

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 *(a) FINDINGS.—Congress finds the following:*

8 *(1) In January 2003, the Government Account-*
9 *ability Office identified Federal real property as a*
10 *high-risk area, citing excess property as a long-stand-*
11 *ing problem.*

12 *(2) The magnitude of the problem with excess*
13 *Federal real property continues to put the government*
14 *at risk for lost dollars and missed opportunities.*

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

19 *(4) The Federal inventory includes many prop-*
20 *erties that are no longer relevant to agencies’ missions*
21 *and agencies are spending billions of dollars to main-*
22 *tain these unneeded properties.*

23 *(5) The costs of preparing a property for transfer*
24 *or sale continue to hamper some agencies’ efforts to*
25 *address their unneeded properties and serve as a dis-*

1 *incentive to disposal because, in the short-term, it can*
2 *be more beneficial economically to maintain a prop-*
3 *erty that is not being used than to dispose of it.*

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

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

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

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

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

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

16 “(1) *GUIDANCE.—The Administrator shall issue*
17 *guidance for the development and implementation of*
18 *agency real property plans. Such guidance shall in-*
19 *clude recommendations on—*

20 “(A) *how to identify excess properties;*

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

23 “(C) *how to prioritize disposal decisions*
24 *based on agency missions and anticipated future*
25 *need for holdings; and*

1 “(D) how best to dispose of those properties
2 identified as excess to the needs of the agency.

3 “(2) ANNUAL REPORT.—The Administrator shall
4 submit an annual report, for each of the first 5 years
5 after 2008, to the Committee on Oversight and Gov-
6 ernment Reform of the House of Representatives and
7 the Committee on Homeland Security and Govern-
8 mental Affairs of the Senate, based on data submitted
9 from all executive agencies, detailing executive agency
10 efforts to reduce their real property assets.

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

14 “(b) DUTIES OF EXECUTIVE AGENCIES.—

15 “(1) IN GENERAL.—Each executive agency
16 shall—

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

20 “(B) continuously survey property under its
21 control to identify excess property;

22 “(C) promptly report excess property to the
23 Administrator;

24 “(D) perform the care and handling of ex-
25 cess property; and

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

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

8 “(A) develop and implement a real property
9 plan in order to identify properties to declare as
10 excess using the guidance issued under subsection
11 (a)(1);

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

15 “(C) establish adequate goals and incentives
16 that lead the agency to reduce excess real prop-
17 erty in its inventory;

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

22 “(3) *ADDITIONAL REQUIREMENTS.*—Each execu-
23 tive agency, as far as practicable, shall—

24 “(A) reassign property to another activity
25 within the agency when the property is no longer

1 *required for the purposes of the appropriation*
 2 *used to make the purchase;*

3 “(B) *transfer excess property under its con-*
 4 *trol to other Federal agencies and to organiza-*
 5 *tions specified in section 321(c)(2) of this title;*
 6 *and*

7 “(C) *obtain excess properties from other*
 8 *Federal agencies to meet mission needs before ac-*
 9 *quiring non-Federal property.”.*

10 (b) *CLERICAL AMENDMENT.—The item relating to sec-*
 11 *tion 524 in the table of sections at the beginning of chapter*
 12 *5 of such title is amended to read as follows:*

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

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

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

18 (1) *by redesignating subparagraphs (B) and (C)*
 19 *as subparagraphs (C) and (D), respectively; and*

20 (2) *by inserting after subparagraph (A) the fol-*
 21 *lowing new subparagraph:*

22 “(B) *ADDITIONAL AUTHORITY.—(i) From*
 23 *the fund described in paragraph (1), subject to*
 24 *clause (iv), the Administrator may obligate an*
 25 *amount to pay the direct and indirect costs re-*

1 lated to identifying and preparing properties to
2 be reported excess by another agency.

3 “(i) The General Services Administration
4 may be reimbursed from the proceeds of the sale
5 of such properties for such costs.

6 “(iii) Net proceeds shall be dispersed pursu-
7 ant to section 571 of this title.

8 “(iv) The authority under clause (i) to obli-
9 gate funds to prepare properties to be reported
10 excess does not include the authority to convey
11 such properties by sale, lease, exchange, or other-
12 wise, including through leaseback arrangements.

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

15 **SEC. 5. ENHANCED AUTHORITIES WITH REGARD TO RE-**
16 **VERTED REAL PROPERTY.**

17 (a) *AUTHORITY TO PAY EXPENSES RELATED TO RE-*
18 *VERTED REAL PROPERTY.*—Section 572(a)(2)(A) of title
19 40, United States Code, is amended by adding at the end
20 the following:

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

1 (b) *REQUIREMENTS RELATED TO SALES OF RE-*
2 *VERTED PROPERTY UNDER SECTION 550.*—Section
3 *550(b)(1) of title 40, United States Code, is amended—*

4 (1) *by inserting “(A)” after “(1) IN GENERAL.—*
5 *”; and*

6 (2) *by adding at the end the following: “If the*
7 *official, in consultation with the Administrator, rec-*
8 *ommends reversion of the property, the Administrator*
9 *shall take control of such property, and, subject to*
10 *subparagraph (B), sell it at fair market value for*
11 *cash and not by lease, exchange, or leaseback arrange-*
12 *ments.*

13 *“(B) Prior to sale, the Administrator shall make*
14 *such property available to State and local govern-*
15 *ments and certain non-profit institutions or organi-*
16 *zations pursuant to this section and sections 553 and*
17 *554 of this title.”.*

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

21 (1) *by inserting “(1)” after “THIS SECTION.—”;*
22 *and*

23 (2) *by adding at the end the following: “If the*
24 *Administrator determines that reversion of the prop-*
25 *erty is necessary to enforce compliance with the terms*

1 *of the conveyance, the Administrator shall take con-*
2 *trol of such property and, subject to paragraph (2),*
3 *sell it at fair market value for cash and not by lease,*
4 *exchange, or leaseback arrangements.*

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

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

12 (1) *by inserting “(1)” after “THIS SECTION.—”;*
13 *and*

14 (2) *by adding at the end the following: “If the*
15 *Secretary, in consultation with the Administrator,*
16 *recommends reversion of the property, the Adminis-*
17 *trator shall take control of such property and, subject*
18 *to paragraph (2), sell it at fair market value for cash*
19 *and not by lease, exchange, or leaseback arrange-*
20 *ments.*

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

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

2 *The text of section 571 of title 40, United States Code,*
3 *is amended to read as follows:*

4 “(a) *DEPOSIT OF PROCEEDS.—Proceeds described in*
5 *subsection (d) shall be deposited into the appropriate real*
6 *property account of the agency that had custody and ac-*
7 *countability for the real property. Such funds shall be ex-*
8 *pendent only as authorized in annual appropriations Acts*
9 *and only for activities as described in section 524(b) of this*
10 *title and disposal activities, including paying costs in-*
11 *curred by the General Services Administration for any dis-*
12 *posal-related activity authorized by this title. Proceeds shall*
13 *not be expended for activities or projects subject to the re-*
14 *quirements of section 3307 of this title.*

15 “(b) *EFFECT ON OTHER SECTIONS.—Nothing in this*
16 *section is intended to affect section 572(b) or 574 of this*
17 *title.*

18 “(c) *DISPOSAL AGENCY FOR REVERTED PROPERTY.—*
19 *For the purposes of this section, the General Services Ad-*
20 *ministration, as the disposal agency, shall be treated as the*
21 *agency with custody and accountability for properties*
22 *which revert to the United States under sections 550, 553,*
23 *and 554 of this title.*

24 “(d) *PROCEEDS.—The proceeds referred to in sub-*
25 *section (a) are proceeds under this chapter from a—*

1 “(1) *transfer of excess property to a Federal*
2 *agency for agency use; or*
3 “(2) *sale, lease, or other disposition of surplus*
4 *property.*”

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