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**HOUSE BILL NO. 985****AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the Senate Committee on General Laws  
on February 25, 2004)

(Patron Prior to Substitute—Delegate Reese)

*A BILL to amend the Code of Virginia by adding a section numbered 2.2-1131.1, relating to the Department of General Services; State Asset Management Review Act; report.*

**Be it enacted by the General Assembly of Virginia:****1. That the Code of Virginia is amended by adding a section numbered 2.2-1131.1 as follows:**

*§ 2.2-1131.1. Establishment of performance standards for the use of property.*

*A. The Division shall establish performance standards for the acquisition, lease and disposition of property and for the management and utilization of such property at the individual agency and statewide levels to maximize the use of property for which it is held. For the purposes of this section "property" means the same as that term is defined in § 2.2-1147.*

*B. The head of each state agency or institution shall ensure that property assets held by the agency on behalf of the Commonwealth are managed in accordance with the standards set by the Division. State public institutions of higher education that have delegated authority to manage aspects of their real property usage and have signed a memorandum of understanding with the Secretary of Administration related to such delegated authority shall be deemed in compliance with the standards set by the Division as long as they abide by the terms of the memorandum of understanding. Standards established in accordance with the memorandum of understanding shall be reported to the Division by October 1 of each year.*

*C. The Division may take appropriate actions, including assuring compliance with the standards set by the Division and entering into leasing arrangements or other contracts, to ensure that asset usage by each state agency is proper and cost effective.*

*D. By December 1, 2004, the Division shall submit a report to the Governor and the General Assembly on the performance standards established pursuant to subsection A. Thereafter, the Division shall prepare, no later than November 30 of each year, reports to the Governor and the General Assembly on the implementation and effectiveness of this program.*