

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB1140

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Petersen

3. Committee: General Laws and Technology

4. Title: Department of General Services; real estate management services.

5. Summary: Clarifies that the authority for the management of the state's real estate assets is held by the Department of General Services. The bill also provides that the proceeds from leasing surplus state property be used to pay the costs of entering and administering the leases and to offset the cost of maintaining and operating facilities under control of the department. Currently such proceeds are paid to the general fund. In addition the bill requires the department to identify real property assets that are surplus to the current needs and reasonably anticipated future needs of the state and authorizes the department to dispose of such surplus assets.

6. Fiscal Impact Estimates: See Item 8

7. Budget Amendment Necessary: No

8. Fiscal Implications: The language assigning responsibility for real estate to the Department of General Services is housecleaning and has no fiscal impact.

Although the language in Section 2.2-1146 of the Code requires proceeds to be paid to the general fund, Item 79.A of Chapter 879 allows these receipts to be paid to the rent plan internal service fund since the department is already maintaining buildings. This proposal codifies this current practice. The cost of maintaining property for a tenant in state-owned space should be paid from rent receipts and not from funds designated for maintenance of state-occupied land, buildings and space.

9. Specific Agency or Political Subdivisions Affected: Department of General Services

10. Technical Amendment Necessary: Yes. Line 81, after the second “or”, strike “lessee” and insert “lease”.

11. Other Comments: None

Date: 1/27/2009 amk

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cc: Secretary of Administration