

SECTION BY SECTION
AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 665
THE EXCESS FEDERAL BUILDING AND PROPERTY DISPOSAL ACT OF 2011

SECTION 1

This is the short title of the bill “Excess Federal Building and Property Disposal Act of 2011.”

SECTION 2

This section of the bill creates the pilot program to dispose of unneeded federal real property in an expeditious and efficient manner with the goal of maximizing profit. According to the Office of Management and Budget (OMB), there are properties within the federal real property portfolio which can be sold to raise revenue.

Under this section, the Director of the Office of Management and Budget (“OMB Director”), in consultation with the General Services Administration (“GSA Administrator”), is directed to identify, with input from the federal agencies, 15 real properties to be placed on a rolling list for disposal. These properties must meet certain criteria such as high fair market value. Certain properties are excluded from the pilot.

The GSA Administrator is directed to dispose of the properties through a public auction. This method of disposal was recommended by the Congressional Budget Office. Once a property is auctioned and transferred, the GSA Administrator has 15 days to identify another property to be placed on the list for disposal. This rolling list is also referred to as the real property pilot program and under the bill it is authorized for five years.

The Committee anticipates that during the pilot program, the standard disposal process under Title 40 will occur contemporaneously. Pilot properties are exempt from certain statutory constraint to disposal. For example, properties sold as part of the pilot program will not be subject to the requirements of Title V of the McKinney-Vento Homeless Assistance Act or the public benefit conveyance requirements.

The agency that participates in the pilot and GSA are reimbursed for administrative costs. Proceeds from sales under the pilot program are required to be distributed as follows: 98 percent to the General Fund of the Treasury and two percent to a grant fund for homeless assistance.

With the two percent proceeds, the Department of Housing and Urban Development (HUD) is authorized to make grants to nonprofit entities for the purchase of real property suitable to assist the homeless. The HUD Secretary is directed to give preference to nonprofit entities in the areas in which real property is being sold through the pilot program.

This section also requires the Government Accountability Office (GAO) to conduct a study of the effectiveness of the Pilot program.

SECTION 3

This section directs GSA to issue guidance for agencies regarding the development of real property plans. Under this section agencies must continuously monitor their real property portfolio and dispose of any unneeded properties in a timely manner. GSA is required to report (one time) on the efficacy of this section three years after enactment.

SECTION 4

This section applies to the standard disposal process under Title 40. It allows GSA and the agencies to be reimbursed for the costs associated with disposal of real property. After costs are paid, proceeds are distributed pursuant to Section 6, described below.

SECTION 5

This section allows the Administrator to dispose of reverted real property through sale and places certain requirements on these types of disposals. Reverted real properties have already been declared excess, surplus, and have been disposed of by GSA, in most cases.

SECTION 6

This section amends 40 U.S.C. 571 to allow the net proceeds of a sale of real property conducted under the standard disposal process to be returned to the agency that conducted the disposal for the purpose of continuing disposal activities and maintenance to properties. Any remainder shall go to the Treasury for deficit reduction. It also allows proceeds from the sale of personal property to be deposited into the Treasury.

SECTION 7

This section codifies the requirement for a federal real property database and requires GSA to publish the database. Classified information and national security sensitive information is excluded from publication.

SECTION 8

This section directs agencies to recycle 50% of construction and demolition materials.

SECTION 9

This section streamlines the McKinney-Vento homeless review process. Under Title V of the McKinney-Vento Homeless Assistance Act, a surplus federal property must be made available to entities serving the homeless before it can be conveyed for other public use.¹ This section excludes national security properties from the review conducted by HUD. By excluding national security properties, the standard disposal process will likely become more efficient.

Under the current process, HUD publishes available properties in the Federal Register. According to HUD, this is an onerous requirement. This section strikes that requirement and directs HUD or the GSA to publish the available properties on a website.

¹ Garrett Hatch, Congressional Research Service, *Disposal of Unneeded Federal Buildings: Legislative Proposals in the 112th Congress*, CRS no. R41892, June 24, 2011(citing 40 U.S.C. § 102).