The Federal Assets Sale and Transfer Act of 2016

The Federal Assets Sale and Transfer Act of 2016 (H.R 4465) is bipartisan legislation that implements common sense policies to shrink the size of government and provide billions of dollars in taxpayer savings by selling or redeveloping high value federal properties, consolidating federal space, maximizing the utilization rates of space, and streamlining the disposal of unneeded assets.

The Act establishes an independent board to identify opportunities to reduce the government's real property inventory and make recommendations for the sale of up to $8 billion worth of underutilized and vacant federal properties.

The Act simplifies and streamlines the sale of underutilized and vacant properties, and requires the creation of a single, comprehensive database of all federal real properties.

As a result of these improvements, the Act will also spur local economic development, as federal agencies are incentivized to dispose of unused properties, allowing them to be put on the market to be developed.

Saves Billions of Dollars

According to the most recent Federal Real Property Summary, the government owns more than 254,000 buildings, comprising 2.5 billion square feet of space. Recent estimates show that 77,000 of these buildings are underutilized, costing taxpayers $1.7 billion annually.

The Government Accountability Office (GAO) has long documented the poor asset management of the real estate holdings of the federal government that has cost taxpayers billions of dollars.

Although federal agencies have been directed to accelerate their efforts to identify and eliminate underutilized properties, as well as to freeze their federal real property footprint, many have had difficulty prioritizing, paying for, or working through the process of selling these properties.

The Federal Assets Sale and Transfer Act provides for the establishment of the independent Public Buildings Reform Board, a board of presidentially-appointed members, which will terminate after six years. The Board is responsible for identifying opportunities to reduce the real property inventory and making public recommendations to the Office of Management and Budget on the sale of underutilized and vacant properties. Agencies will then have six years to implement those recommendations.

The Board will make recommendations in three rounds:

1. The initial recommendation must be made within the first 180 days to sell at least $500 million in high value assets.

2. Within two years of those high value recommendations, the Board will make an additional round of recommendations for property transactions, up to a value of $2.5 billion.

3. The final round of recommendations will be transmitted at least two years after the prior recommendations for property transactions, up to a value of $5 billion. Through the implementation of these recommendations, the federal government could potentially save, sell, and reinvest $8 billion on behalf of taxpayers.

The bill includes two property sales, which fully offset the discretionary costs of the legislation.

Simplifies and Streamlines the Process

Administrative red tape, high costs, and other disincentives have prohibited federal agencies from disposing of unneeded properties.

The Federal Assets Sale and Transfer Act overcomes these hurdles. The first requirement of the Public Buildings Reform Board is to make recommendations for the sale of $500 million in high value properties, to generate funds for activities under this Act, to reduce the deficit, and to cover the cost of preparing other vacant and underutilized properties for sale.

The Act also incentivizes agencies to sell underutilized properties by allowing them to retain the proceeds from the sales, with up to $7.5 billion in property transactions possible during the second and third round of Board recommendations.

Finally, the Act addresses the critical need for comprehensive, reliable information on federal property by requiring the General Services Administration to create and publish a single, comprehensive database of all federal real property, including designating whether each property is excess, surplus, underutilized, or unutilized.