

## **Federal Property Management Reform Act of 2016**

[Public Law 114–318]

[This law has not been amended]

【Currency: This publication is a compilation of the text of Public Law 114-318. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>】

【Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).】

AN ACT To improve the Government-wide management of Federal property.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### **SECTION 1. [40 U.S.C. 101 note] SHORT TITLE.**

This Act may be cited as the “Federal Property Management Reform Act of 2016”.

### **SEC. 2. [40 U.S.C. 621 note] PURPOSE.**

The purpose of this Act is to increase the efficiency and effectiveness of the Federal Government in managing property of the Federal Government by—

- (1) requiring the United States Postal Service to take appropriate measures to better manage and account for property;
- (2) providing for increased collocation with Postal Service facilities and guidance on Postal Service leasing practices; and
- (3) establishing a Federal Real Property Council to develop guidance on and ensure the implementation of strategies for better managing Federal property.

### **SEC. 3. PROPERTY MANAGEMENT.**

(a) IN GENERAL.—Chapter 5 of subtitle I of title 40, United States Code, is amended by adding at the end the following:

“SUBCHAPTER VII—PROPERTY MANAGEMENT

#### **“§ 621. [40 U.S.C. 621] Definitions**

“In this subchapter:

“(1) ADMINISTRATOR.—The term ‘Administrator’ means the Administrator of General Services.

“(2) COUNCIL.—The term ‘Council’ means the Federal Real Property Council established by section 623(a).

“(3) DIRECTOR.—The term ‘Director’ means the Director of the Office of Management and Budget.

“(4) FEDERAL AGENCY.—The term ‘Federal agency’ means—

“(A) an executive department or independent establishment in the executive branch of the Government; or

“(B) a wholly owned Government corporation (other than the United States Postal Service).

“(5) FIELD OFFICE.—The term ‘field office’ means any office of a Federal agency that is not the headquarters office location for the Federal agency.

“(6) POSTAL PROPERTY.—The term ‘postal property’ means any property owned or leased by the United States Postal Service.

“(7) PUBLIC-PRIVATE PARTNERSHIP.—The term ‘public-private partnership’ means any partnership or working relationship between a Federal agency and a corporation, individual, or nonprofit organization for the purpose of financing, constructing, operating, managing, or maintaining one or more Federal real property assets.

“(8) UNDERUTILIZED PROPERTY.—The term ‘underutilized property’ means a portion or the entirety of any real property, including any improvements, that is used—

“(A) irregularly or intermittently by the accountable Federal agency for program purposes of the Federal agency; or

“(B) for program purposes that can be satisfied only with a portion of the property.

**“§ 622. [40 U.S.C. 622] Collocation among United States Postal Service properties**

“(a) IDENTIFICATION OF POSTAL PROPERTY.—Each year, the Postmaster General shall—

“(1) identify a list of postal properties with space available for use by Federal agencies; and

“(2) not later than September 30, submit the list to—

“(A) the Committee on Homeland Security and Governmental Affairs of the Senate; and

“(B) the Committee on Oversight and Government Reform of the House of Representatives.

“(b) VOLUNTARY IDENTIFICATION OF POSTAL PROPERTY.—Each year, the Postmaster General may submit the list under subsection (a) to the Council.

“(c) SUBMISSION OF LIST OF POSTAL PROPERTIES TO FEDERAL AGENCIES.—

“(1) IN GENERAL.—Not later than 30 days after the completion of a list under subsection (a), the Council shall provide the list to each Federal agency.

“(2) REVIEW BY FEDERAL AGENCIES.—Not later than 90 days after the receipt of the list submitted under paragraph (1), each Federal agency shall—

“(A) review the list;

“(B) review properties under the control of the Federal agency; and

“(C) recommend collocations if appropriate.

“(d) TERMS OF COLLOCATION.—On approval of the recommendations under subsection (c) by the Postmaster General and the applicable agency head, the Federal agency or appropriate landholding entity may work with the Postmaster General to establish appropriate terms of a lease for each postal property.

“(e) RULE OF CONSTRUCTION.—Nothing in this section exceeds, modifies, or supplants any other Federal law relating to any competitive bidding process governing the leasing of postal property.

**“§ 623. [40 U.S.C. 623] Establishment of a Federal Real Property Council**

“(a) ESTABLISHMENT.—There is established a Federal Real Property Council.

“(b) PURPOSE.—The purpose of the Council shall be—

“(1) to develop guidance and ensure implementation of an efficient and effective real property management strategy;

“(2) to identify opportunities for the Federal Government to better manage property and assets of the Federal Government; and

“(3) to reduce the costs of managing property of the Federal Government, including operations, maintenance, and security associated with Federal property.

“(c) COMPOSITION.—

“(1) IN GENERAL.—The Council shall be composed exclusively of—

“(A) the senior real property officers of each Federal agency;

“(B) the Deputy Director for Management of the Office of Management and Budget;

“(C) the Controller of the Office of Management and Budget;

“(D) the Administrator; and

“(E) any other full-time or permanent part-time Federal officials or employees, as the Chairperson determines to be necessary.

“(2) CHAIRPERSON.—The Deputy Director for Management of the Office of Management and Budget shall serve as Chairperson of the Council.

“(3) EXECUTIVE DIRECTOR.—

“(A) IN GENERAL.—The Chairperson shall designate an Executive Director to assist in carrying out the duties of the Council.

“(B) QUALIFICATIONS.—The Executive Director shall—

“(i) be appointed from among individuals who have substantial experience in the areas of commercial real estate and development, real property management, and Federal operations and management; and

“(ii) hold no outside employment that may conflict with duties inherent to the position.

“(d) MEETINGS.—

“(1) IN GENERAL.—The Council shall meet subject to the call of the Chairperson.

“(2) MINIMUM.—The Council shall meet not fewer than 4 times each year.

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“(e) DUTIES.—The Council, in consultation with the Director and the Administrator, shall—

“(1) not later than 1 year after the date of enactment of this subchapter, establish a real property management plan template, to be updated annually, which shall include performance measures, specific milestones, measurable savings, strategies, and Government-wide goals based on the goals established under section 524(a)(7) to reduce surplus property or to achieve better utilization of underutilized property, and evaluation criteria to determine the effectiveness of real property management that are designed—

“(A) to enable Congress and heads of Federal agencies to track progress in the achievement of property management objectives on a Government-wide basis;

“(B) to improve the management of real property; and

“(C) to allow for comparison of the performance of Federal agencies against industry and other public sector agencies;

“(2) develop utilization rates consistent throughout each category of space, considering the diverse nature of the Federal portfolio and consistent with nongovernmental space use rates;

“(3) develop a strategy to reduce the reliance of Federal agencies on leased space for long-term needs if ownership would be less costly;

“(4) provide guidance on eliminating inefficiencies in the Federal leasing process;

“(5) compile a list of field offices that are suitable for collocation with other property assets;

“(6) research best practices regarding the use of public-private partnerships to manage properties and develop guidelines for the use of those partnerships in the management of Federal property; and

“(7) not later than 1 year after the date of enactment of this subchapter and annually during the 4-year period beginning on the date that is 1 year after the date of enactment of this subchapter and ending on the date that is 5 years after the date of enactment of this subchapter, the Council shall submit to the Director a report that contains—

“(A) a list of the remaining excess property that is real property, surplus property that is real property, and underutilized property of each Federal agency;

“(B) the progress of the Council toward developing guidance for Federal agencies to ensure that the assessment required under section 524(a)(11)(B) is carried out in a uniform manner;

“(C) the progress of Federal agencies toward achieving the goals established under section 524(a)(7);

“(D) if necessary, recommendations for legislation or statutory reforms that would further the goals of the Council, including streamlining the disposal of excess or underutilized real property; and

“(E) a list of entities that are consulted under subsection (f).

“(f) CONSULTATION.—In carrying out the duties described in subsection (e), the Council shall also consult with representatives of—

“(1) State, local, and tribal authorities, as appropriate, and other affected communities; and

“(2) appropriate private sector entities and nongovernmental organizations that have expertise in areas of—

“(A) commercial real estate and development;

“(B) government management and operations;

“(C) space planning;

“(D) community development, including transportation and planning;

“(E) historic preservation; and

“(F) providing housing to the homeless population.

“(g) COUNCIL RESOURCES.—The Director and the Administrator shall provide staffing, and administrative support for the Council, as appropriate.

“(h) ACCESS TO REPORT.—The Council shall provide, on an annual basis, the real property management plan template required under subsection (e)(1) and the reports required under subsection (e)(7) to—

“(1) the Committee on Homeland Security and Governmental Affairs of the Senate;

“(2) the Committee on Environment and Public Works of the Senate;

“(3) the Committee on Oversight and Government Reform of the House of Representatives;

“(4) the Committee on Transportation and Infrastructure of the House of Representatives; and

“(5) the Comptroller General of the United States.

“(i) EXCLUSIONS.—In this section, surplus property shall not include—

“(1) any military installation (as defined in section 2910 of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note; Public Law 101-510));

“(2) any property that is excepted from the definition of the term ‘property’ under section 102;

“(3) Indian and native Eskimo property held in trust by the Federal Government as described in section 3301(a)(5)(C)(iii);

“(4) real property operated and maintained by the Tennessee Valley Authority pursuant to the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831 et seq.);

“(5) any real property the Director excludes for reasons of national security;

“(6) any public lands (as defined in section 203 of the Public Lands Corps Act of 1993 (16 U.S.C. 1722)) administered by—

“(A) the Secretary of the Interior, acting through—

“(i) the Director of the Bureau of Land Management;

“(ii) the Director of the National Park Service;

“(iii) the Commissioner of Reclamation; or

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“(iv) the Director of the United States Fish and Wildlife Service; or  
“(B) the Secretary of Agriculture, acting through the Chief of the Forest Service; or  
“(7) any property operated and maintained by the United States Postal Service.

**“§ 624. [40 U.S.C. 624] Information on certain leasing authorities**

“(a) IN GENERAL.—Except as provided in subsection (b), not later than December 31 of each year following the date of enactment of this subchapter, a Federal agency with independent leasing authority shall submit to the Council a list of all leases, including operating leases, in effect on the date of enactment of this subchapter that includes—

“(1) the date on which each lease was executed;  
“(2) the date on which each lease will expire;  
“(3) a description of the size of the space;  
“(4) the location of the property;  
“(5) the tenant agency;  
“(6) the total annual rental payment; and  
“(7) the amount of the net present value of the total estimated legal obligations of the Federal Government over the life of the contract.

“(b) EXCEPTION.—Subsection (a) shall not apply to—

“(1) the United States Postal Service; or  
“(2) any other property the Director excludes from subsection (a) for reasons of national security.”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) TABLE OF SECTIONS.—The table of sections for chapter 5 of subtitle I of title 40, United States Code, is amended by inserting after the item relating to section 611 the following:

“SUBCHAPTER VII—PROPERTY MANAGEMENT

Sec. 621. Definitions.

Sec. 622. Collocation among United States Postal Service properties.

Sec. 623. Establishment of a Federal Real Property Council.

Sec. 624. Information on certain leasing authorities.

(2) TECHNICAL AMENDMENT.—Section 102 of title 40, United States Code, is amended in the matter preceding paragraph (1) by striking “The” and inserting “Except as provided in subchapter VII of chapter 5 of this title, the”.

**SEC. 4. UNITED STATES POSTAL SERVICE PROPERTY MANAGEMENT.**

(a) IN GENERAL.—Part III of title 39, United States Code, is amended by adding at the end the following:

“CHAPTER 29—PROPERTY MANAGEMENT

“Sec.

“2901. Definitions.

“2902. Property management.

**“§ 2901. [39 U.S.C. 2901] Definitions**

“In this chapter:

“(1) EXCESS PROPERTY.—The term ‘excess property’ means any postal property that the Postal Service determines is not required to meet the needs or responsibilities of the Postal Service.

“(2) POSTAL PROPERTY.—The term ‘postal property’ means any property owned or leased by the Postal Service.

“(3) UNDERUTILIZED PROPERTY.—The term ‘underutilized property’ means a portion or the entirety of any real property that is postal property, including any improvements, that is used—

“(A) irregularly or intermittently by the Postal Service for program purposes of the Postal Service; or

“(B) for program purposes that can be satisfied only with a portion of the property.

**“§ 2902. [39 U.S.C. 2902] Property management**

“(a) IN GENERAL.—The Postal Service—

“(1) shall maintain adequate inventory controls and accountability systems for postal property;

“(2) shall develop current and future workforce projections so as to have the capacity to assess the needs of the Postal Service workforce regarding the use of property;

“(3) may develop a 5-year management template that—

“(A) establishes goals and policies that will lead to the reduction of excess property and underutilized property in the inventory of the Postal Service;

“(B) adopts workplace practices, configurations, and management techniques that can achieve increased levels of productivity and decrease the need for real property assets;

“(C) assesses leased space to identify space that is not fully used or occupied;

“(D) develops recommendations on how to address excess capacity at Postal Service facilities without negatively impacting mail delivery; and

“(E) develops recommendations on ensuring the security of mail processing operations; and

“(4) if the Postal Service develops a template under paragraph (3) shall, as part of that template and on a regular basis—

“(A) conduct an inventory of postal property that is real property; and

“(B) publish a report that covers each property identified under subparagraph (A), similar to the USPS Owned Facilities Report and the USPS Leased Facilities Report, that includes—

“(i) the date on which the Postal Service first occupied the property;

“(ii) the size of the property in square footage and acreage;

“(iii) the geographical location of the property, including an address and description;

“(iv) the extent to which the property is being utilized;

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“(v) the actual annual operating costs associated with the property;

“(vi) the total cost of capital expenditures associated with the property;

“(vii) the number of postal employees, contractor employees, and functions housed at the property;

“(viii) the extent to which the mission of the Postal Service is dependent on the property; and

“(ix) the estimated amount of capital expenditures projected to maintain and operate the property over each of the next 5 years after the date of enactment of this chapter.

“(b) **RULE OF CONSTRUCTION.**—Nothing in subsection (a)(4)(B) shall be construed to require the Postal Service to obtain an appraisal of postal property.”.

(b) **TECHNICAL AND CONFORMING AMENDMENT.**—The table of chapters for part III of title 39, United States Code, is amended by adding at the end the following:

“29. Property Management”.

2901

**SEC. 5. INSPECTOR GENERAL REPORT ON UNITED STATES POSTAL SERVICE PROPERTY.**

(a) **DEFINITION OF EXCESS PROPERTY.**—In this section, the term “excess property” has the meaning given the term in section 2901 of title 39, United States Code, as added by section 4.

(b) **EXCESS PROPERTY REPORT.**—Not later than 2 years after the date of enactment of this Act, the Inspector General of the United States Postal Service shall submit to Congress a report that includes—

(1) a survey of excess property held by the United States Postal Service; and

(2) recommendations for repurposing property identified in paragraph (1)—

(A) to—

(i) reduce excess capacity; and

(ii) increase collocation with other Federal agencies; and

(B) without diminishing the ability of the United States Postal Service to meet the service standards established under section 3691 of title 39, United States Code, as in effect on January 1, 2016.

**SEC. 6. DUTIES OF FEDERAL AGENCIES.**

(a) **IN GENERAL.**—Section 524(a) of title 40, United States Code, is amended—

(1) in paragraph (4), by striking “and” at the end;

(2) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(6) develop current and future workforce projections so as to have the capacity to assess the needs of the Federal workforce regarding the use of real property;



“(7) establish goals and policies that will lead the executive agency to reduce excess property and underutilized property in the inventory of the executive agency;

“(8) submit to the Federal Real Property Council an annual report on all excess property that is real property and underutilized property in the inventory of the executive agency, including—

“(A) whether underutilized property can be better utilized, including through collocation with other executive agencies or consolidation with other facilities; and

“(B) the extent to which the executive agency believes that retention of the underutilized property serves the needs of the executive agency;

“(9) adopt workplace practices, configurations, and management techniques that can achieve increased levels of productivity and decrease the need for real property assets;

“(10) assess leased space to identify space that is not fully used or occupied;

“(11) on an annual basis and subject to the guidance of the Federal Real Property Council—

“(A) conduct an inventory of real property under control of the executive agency; and

“(B) make an assessment of each property, which shall include—

“(i) the age and condition of the property;

“(ii) the size of the property in square footage and acreage;

“(iii) the geographical location of the property, including an address and description;

“(iv) the extent to which the property is being utilized;

“(v) the actual annual operating costs associated with the property;

“(vi) the total cost of capital expenditures incurred by the Federal Government associated with the property;

“(vii) sustainability metrics associated with the property;

“(viii) the number of Federal employees and contractor employees and functions housed at the property;

“(ix) the extent to which the mission of the executive agency is dependent on the property;

“(x) the estimated amount of capital expenditures projected to maintain and operate the property during the 5-year period beginning on the date of enactment of this paragraph; and

“(xi) any additional information required by the Administrator of General Services to carry out section 623; and

“(12) provide to the Federal Real Property Council and the Administrator of General Services the information described in paragraph (11)(B) to be used for the establishment and maintenance of the property inventory;

nance of the database described in section 21 of the Federal Assets Sale and Transfer Act of 2016.”.

(b) **DEFINITION OF EXECUTIVE AGENCY.**—Section 524 of title 40, United States Code, is amended by adding at the end the following:

“(c) **DEFINITION OF EXECUTIVE AGENCY.**—For the purpose of paragraphs (6) through (12) of subsection (a), the term ‘executive agency’ shall have the meaning given the term ‘Federal agency’ in section 621.”.

**SEC. 7. TECHNICAL AMENDMENTS.**

(a) **DEFINITION OF APPLICABLE ACT.**—In this section, the term “applicable Act” means the Federal Assets Sale and Transfer Act of 2016 (H.R. 4465, 114th Congress, 2d Session).

(b) **[40 U.S.C. 1303 note] BOARD.**—Section 4(c) of the applicable Act is amended by striking paragraphs (1) through (3) and inserting the following:

“(1) **IN GENERAL.**—The Board shall be composed of a Chairperson appointed by the President, by and with the advice and consent of the Senate, and 6 members appointed by the President.

“(2) **APPOINTMENTS.**—

“(A) **IN GENERAL.**—In selecting individuals for appointments to the Board, the President shall appoint members in the following manner:

“(i) Two members recommended by the Speaker of the House of Representatives.

“(ii) Two members recommended by the majority leader of the Senate.

“(iii) One member recommended by the minority leader of the House of Representatives.

“(iv) One member recommended by the minority leader of the Senate.

“(B) **DEADLINE.**—The appointment of members to the Board shall be made not later than 90 days after the date of enactment of this Act.

“(3) **TERMS.**—The term for each member of the Board shall be 6 years.”.

(c) **AGENCY RETENTION OF PROCEEDS.**—

(1) **IN GENERAL.**—Section 571 of title 40, United States Code (as amended by section 20 of the applicable Act), is amended by adding at the end the following:

“(d) **SAVINGS PROVISION.**—Nothing in this section modifies, alters, or repeals any other provision of Federal law directing the use of retained proceeds relating to the sale of property of an agency.”.

(2) **[40 U.S.C. 571 note] EFFECTIVE DATE.**—The amendments made by this subsection shall take effect as if enacted as part of the applicable Act.

(d) **[40 U.S.C. 1303 note] SALE.**—Section 24 of the applicable Act is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

“(c) **REQUIREMENT.**—Notwithstanding any other provision of law, the sale of the property by the Administrator of General Services shall ensure continuity of security measures, parking access,

and infrastructure requirements of the James Forrestal Building while it is occupied by the Department of Energy.”.

(e) **【40 U.S.C. 571 note】** EFFECTIVE DATE.—Except as provided in subsection (c)(2), this section and the amendments made by this section shall take effect immediately after the enactment of the applicable Act.