

“(B) INTELLIGENCE COMMUNITY.—The term ‘intelligence community’ has the meaning given the term in section 3 of the National Security Act of 1947 (50 U.S.C. 3003).

“(2) REPORTING OF SPACE UTILIZATION AND OCCUPANCY DATA FOR OFFICE SPACE.—An occupancy agreement between the Administrator and a Federal tenant for office space shall—

“(A) include language that requires the Federal tenant to submit to the Administrator an annual report for the duration of the agreement containing data on—

“(i) monthly total occupancy of such office space;

“(ii) the actual utilization of such office space;

“(iii) monthly space utilization rates; and

“(iv) any other office space utilization data considered important by the Administrator; and

“(B) include language that requires the Federal tenant to have written procedures in place governing the return of office space to the Administrator if the occupancy of the Federal tenant falls below a 60 percent space utilization rate for 6 months within any 1-year period, beginning on the date on which the agreement takes effect.

“(3) REQUIREMENTS FOR FEDERAL AGENCIES WITH INDEPENDENT LEASING AUTHORITIES.—The head of any agency with independent leasing authorities with leases for office space shall submit to the Committee on Transportation and Infrastructure of the House of Representatives, the Committee on Environment and Public Works of the Senate, and each congressional committee of jurisdiction of the applicable independent leasing authority an annual report for the duration of the agreement containing data on—

“(A) monthly total occupancy of the office space;

“(B) the actual utilization of the office space;

“(C) monthly space utilization rates; and

“(D) any other office space utilization data considered important for collection by Congress.

“(4) EXCEPTIONS TO REPORTING AND OCCUPANCY AGREEMENT REQUIREMENTS.—This subsection shall not apply to properties used by an element of the intelligence community.

“(5) APPLICABILITY.—The requirements of this subsection shall apply to any occupancy or novation agreement entered into on or after the date that is 180 days after the date of enactment of this Act.

“(g) GAO REPORT.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the cost to each Federal agency of measuring the occupancy and actual utilization rates of space in public buildings and federally-leased space to prepare the reports required under subsection (d).

“(2) REQUIREMENTS.—The Comptroller General of the United States shall include in the report required under paragraph (1) the cost of deploying sensors and technologies pursuant to subsection (c) but shall exclude any such technologies that were in place before the date of enactment of this Act.

“(h) INVESTIGATION OF UNDERUTILIZED SPACE.—

“(1) REPORTING REQUIREMENT.—Not later than 90 days after the submission of each report under subsection (d), the head of each Federal agency shall submit to the inspector general of each respective agency a report detailing any public building or federally-leased space with a capacity of 500 or more employees under the jurisdiction of the agency that has a utilization rate below 20 percent during the reporting period that is not a vacant office building.

“(2) INSPECTOR GENERAL INVESTIGATION.—On receipt of a report under paragraph (1), the inspector general of the relevant Federal agency shall conduct an investigation to determine whether there is any evidence of fraud, waste, abuse, or mismanagement with respect to the use of the public building or federally-leased space identified in the report.”

Executive Documents

EX. ORD. NO. 12411. GOVERNMENT WORK SPACE MANAGEMENT REFORMS

Ex. Ord. No. 12411, Mar. 29, 1983, 48 F.R. 13391, provided:

By the authority vested in me as President by the Constitution and laws of the United States of America, including Section 486 of Title 40 of the United States Code [now 40 U.S.C. 121], in order to institute fundamental changes in the manner in which Federal work space is managed to ensure its efficient utilization, it is hereby ordered as follows:

SECTION 1. In order to make the Federal use of work space (including office space, warehouses and special purpose space, whether federally owned, leased or controlled) and related furnishings more effective in support of agency missions, minimize the acquisition of government resources, and reduce the administrative costs of the Federal government, the heads of all Federal Executive agencies shall:

(a) Establish programs to reduce the amount of work space, used or held, to that amount which is essential for known agency missions;

(b) Produce and maintain a total inventory of work space and related furnishings and declare excess to the Administrator of General Services all such holdings that are not necessary to satisfy existing or known and verified planned programs;

(c) Ensure that the amount of office space used by each employee of the agency, or others using agency-controlled space, is held to the minimum necessary to accomplish the task that must be performed;

(d) Manage the furniture, equipment, decoration, drapes, carpeting, plants and other accoutrements so that the use of all furnishings by the agency reflects a judicious employment of public moneys;

(e) Consider, in making decisions concerning the use, acquisition, or disposal of work space and related furnishings, the effects of its actions on costs incurred by other Federal agencies;

(f) Report all vacant work space retained for future Federal uses to the Administrator of General Services so that it may be made available for the temporary use of other Federal agencies, to the extent consistent with national defense requirements;

(g) Establish a work space management plan to meet the provisions of this Order, including specification of the goals to be achieved and actions to be taken by the agency in order to improve its utilization of all work space and related furnishings; and

(h) Establish information systems, implement inventory controls and conduct surveys, in accordance with procedures established by the Administrator of General Services, so that a government-wide reporting system may be developed.

SEC. 2. The Administrator of General Services is delegated authority, to the extent not prohibited by other laws, to conduct surveys, establish agency-wide objectives for work space use for each Executive agency, and establish procedures, guidelines and regulations to be followed by the agencies in developing the work space planning, information and reporting systems required by this Order.

RONALD REAGAN.

§ 585. Lease agreements

(a) IN GENERAL.—

(1) AUTHORITY.—The Administrator of General Services may enter into a lease agreement with a person, copartnership, corporation, or other public or private entity for the accommodation of a federal agency in a building (or improvement) which is in existence or being erected by the lessor to accommodate the federal agency. The Administrator may assign and reassign the leased space to a federal agency.

(2) **TERMS.**—A lease agreement under this subsection shall be on terms the Administrator considers to be in the interest of the Federal Government and necessary for the accommodation of the federal agency. However, the lease agreement may not bind the Government for more than 20 years and the obligation of amounts for a lease under this subsection is limited to the current fiscal year for which payments are due without regard to section 1341(a)(1)(B) of title 31.

(b) **SUBLEASE.**—

(1) **APPLICATION.**—This subsection applies to rent received if the Administrator—

(A) determines that an unexpired portion of a lease of space to the Government is surplus property; and

(B) disposes of the property by sublease.

(2) **USE OF RENT.**—Notwithstanding section 571(a) of this title, the Administrator may deposit rent received into the Federal Buildings Fund. The Administrator may defray from the fund any costs necessary to provide services to the Government's lessee and to pay the rent (not otherwise provided for) on the lease of the space to the Government.

(c) **AMOUNTS FOR RENT AVAILABLE FOR LEASE OF BUILDINGS ON GOVERNMENT LAND.**—Amounts made available to the General Services Administration for the payment of rent may be used to lease space, for a period of not more than 30 years, in buildings erected on land owned by the Government.

(d) Any bargain-price option to purchase at less than fair market value contained in any lease agreement entered into on or after January 1, 2021, pursuant to this section may be exercised only to the extent specifically provided for in subsequent appropriation Acts or other Acts of Congress.

(Pub. L. 107–217, Aug. 21, 2002, 116 Stat. 1112; Pub. L. 117–257, § 1, Dec. 21, 2022, 136 Stat. 2371.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
585(a)	40:490(h)(1).	June 30, 1949, ch. 288, title II, § 210(h)(1), as added Pub. L. 85–493, § 1, July 2, 1958, 72 Stat. 294; Pub. L. 86–249, § 12(e), formerly § 12(d), Sept. 9, 1959, 73 Stat. 482; redesignated § 12(e), Pub. L. 94–541, title I, § 103(3) (related to § 12(e)), Oct. 18, 1976, 90 Stat. 2506.
	40:490e.	Pub. L. 101–136, title IV, § 22, Nov. 3, 1989, 103 Stat. 807.
585(b)	40:490(h)(2).	June 30, 1949, ch. 288, title II, § 210(h)(2), as added Pub. L. 85–493, § 1, July 2, 1958, 72 Stat. 294.
585(c)	40:490d.	Pub. L. 101–136, title IV, § 5, Nov. 3, 1989, 103 Stat. 802.

In subsection (b)(2), the words “Federal Buildings Fund” are substituted for “buildings management fund” because the fund established under 40:490(f)(1) is the Federal Buildings Fund and unexpended balances in the Buildings Management Fund were merged into the Federal Buildings Fund under 40:490(f)(3).

Editorial Notes

AMENDMENTS

2022—Subsec. (d). Pub. L. 117–257 added subsec. (d).

Statutory Notes and Related Subsidiaries

SECURE FEDERAL LEASES FROM ESPIONAGE AND SUSPICIOUS ENTANGLEMENTS

Pub. L. 116–276, Dec. 31, 2020, 134 Stat. 3362, provided that:

“SECTION 1. SHORT TITLE; FINDINGS.

“(a) **SHORT TITLE.**—This Act may be cited as the ‘Secure Federal Leases from Espionage And Suspicious Entanglements Act’ or the ‘Secure Federal LEASES Act’.

“(b) **FINDINGS.**—Congress finds that—

“(1) the Government Accountability Office has reported that the Federal Government often leases high-security space from private sector landlords;

“(2) the General Services Administration collects highest-level and immediate ownership information through the System for Award Management, but it is not currently required to collect beneficial ownership information and lacks an adequate system for doing so;

“(3) the General Services Administration and Federal agencies with leasing authority may not know if foreign owners have a stake in the buildings leased by the agencies, either through foreign-incorporated legal entities or through ownership in United States-incorporated legal entities, even when the leased space is used for classified operations or to store sensitive data; and

“(4) according to a report of the Government Accountability Office, dated January 2017, that examined the risks of foreign ownership of Government-leased real estate, ‘leasing space in foreign-owned buildings could present security risks such as espionage and unauthorized cyber and physical access’.

“SEC. 2. DEFINITIONS.

“In this Act:

“(1) **BENEFICIAL OWNER.**—

“(A) **IN GENERAL.**—Except as provided in subparagraph (B), the term ‘beneficial owner’ means, with respect to a covered entity, each natural person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise—

“(i) exercises control over the covered entity; or

“(ii) has a substantial interest in or receives substantial economic benefits from the assets of the covered entity.

“(B) **EXCEPTIONS.**—The term ‘beneficial owner’ does not include, with respect to a covered entity—

“(i) a minor child;

“(ii) a person acting as a nominee, intermediary, custodian, or agent on behalf of another person;

“(iii) a person acting solely as an employee of the covered entity and whose control over or economic benefits from the covered entity derives solely from the employment status of the person;

“(iv) a person whose only interest in the covered entity is through a right of inheritance, unless the person also meets the requirements of subparagraph (A); or

“(v) a creditor of the covered entity, unless the creditor also meets the requirements of subparagraph (A).

“(C) **ANTI-ABUSE RULE.**—The exceptions under subparagraph (B) shall not apply if used for the purpose of evading, circumventing, or abusing the requirements of this Act.

“(2) **CONTROL.**—The term ‘control’ means, with respect to a covered entity—

“(A) having the authority or ability to determine how a covered entity is utilized; or

“(B) having some decision-making power for the use of a covered entity.

“(3) **COVERED ENTITY.**—The term ‘covered entity’ means—

“(A) a person, corporation, company, business association, partnership, society, trust, or any other nongovernmental entity, organization, or group; or

“(B) any governmental entity or instrumentality of a government.

“(4) EXECUTIVE AGENCY.—The term ‘Executive agency’ has the meaning given the term in section 105 of title 5, United States Code.

“(5) FEDERAL AGENCY.—The term ‘Federal agency’ means any Executive agency or any establishment in the legislative or judicial branch of the Government.

“(6) FEDERAL LESSEE.—The term ‘Federal lessee’—

“(A) means the Administrator of General Services, the Architect of the Capitol, or the head of any Federal agency, other than the Department of Defense, that has independent statutory leasing authority; and

“(B) does not include the head of an element of the intelligence community.

“(7) FEDERAL TENANT.—The term ‘Federal tenant’—

“(A) means a Federal agency that is occupying or will occupy a high-security leased space for which a lease agreement has been secured on behalf of the Federal agency; and

“(B) does not include an element of the intelligence community.

“(8) FOREIGN ENTITY.—The term ‘foreign entity’ means a covered entity that is headquartered or incorporated in a country that is not the United States.

“(9) FOREIGN PERSON.—The term ‘foreign person’ means an individual who is not a United States person.

“(10) HIGH-SECURITY LEASED SPACE.—The term ‘high-security leased space’ means a space leased by a Federal lessee that—

“(A) will be occupied by Federal employees for nonmilitary activities; and

“(B) has a facility security level of III, IV, or V, as determined by the Federal tenant in consultation with the Interagency Security Committee, the Department of Homeland Security, and the General Services Administration.

“(11) HIGHEST-LEVEL OWNER.—The term ‘highest-level owner’ means the entity that owns or controls an immediate owner of the offeror of a lease, or that owns or controls 1 or more entities that control an immediate owner of the offeror.

“(12) IMMEDIATE OWNER.—The term ‘immediate owner’ means an entity, other than the offeror of a lease, that has direct control of the offeror, including ownership or interlocking management, identity of interests among family members, shared facilities and equipment, and the common use of employees.

“(13) INTELLIGENCE COMMUNITY.—The term ‘intelligence community’ has the meaning given the term in section 3 of the National Security Act of 1947 (50 U.S.C. 3003).

“(14) SUBSTANTIAL ECONOMIC BENEFITS.—The term ‘substantial economic benefits’ means, with respect to a natural person described in paragraph (1)(A)(ii), having an entitlement to the funds or assets of a covered entity that, as a practical matter, enables the person, directly or indirectly, to control, manage, or direct the covered entity.

“(15) UNITED STATES PERSON.—The term ‘United States person’ means an individual who—

“(A) is a citizen of the United States; or

“(B) is an alien lawfully admitted for permanent residence in the United States.

“(16) WIDELY HELD.—The term ‘widely held’ means a fund that has not less than 100 natural persons as direct or indirect investors.

“SEC. 3. DISCLOSURE OF OWNERSHIP OF HIGH-SECURITY SPACE LEASED FOR FEDERAL AGENCIES.

“(a) REQUIRED DISCLOSURES.—Before entering into a lease agreement with a covered entity or approving a novation agreement with a covered entity involving a change of ownership under a lease that will be used for high-security leased space, a Federal lessee shall require the covered entity to identify and disclose whether the immediate or highest-level owner of the leased

space, including an entity involved in the financing thereof, is a foreign person or a foreign entity, including the country associated with the ownership entity.

“(b) NOTIFICATION.—If a disclosure is made under subsection (a), the Federal lessee shall notify the Federal tenant of the building or other improvement that will be used for high-security space in writing, and consult with the Federal tenant, regarding security concerns and necessary mitigation measures, if any, prior to award of the lease or approval of the novation agreement.

“(c) TIMING.—

“(1) IN GENERAL.—A Federal lessee shall require a covered entity to provide the information described in subsection (a) when first submitting a proposal in response to a solicitation for offers issued by the Federal lessee.

“(2) UPDATES.—A Federal lessee shall require a covered entity to submit an update of the information described in subsection (a) annually, beginning on the date that is 1 year after the date on which the Federal tenant began occupancy, with information including—

“(A) the list of immediate or highest-level owners of the covered entity during the preceding 1-year period of Federal occupancy; or

“(B) the information required to be provided relating to each such immediate or highest-level owner.

“SEC. 4. IMMEDIATE, HIGHEST-LEVEL, AND BENEFICIAL OWNERS.

“(a) PLAN.—The General Services Administration, in coordination with the Office of Management and Budget, shall develop a Government-wide plan for agencies (as such term is defined in section 551 of title 5, United States Code) for identifying all immediate, highest-level, or beneficial owners of high-security leased spaces before entering into a lease agreement with a covered entity for the accommodation of a Federal tenant in a high-security leased space.

“(b) REQUIREMENTS.—

“(1) CONTENTS.—The plan described in subsection (a) shall include a process for collecting and utilizing the following information on each immediate, highest-level, or beneficial owner of a high-security leased space:

“(A) Name.

“(B) Current residential or business street address.

“(C) An identifying number or document that verifies identity as a United States person, foreign person, or foreign entity.

“(2) Disclosures and notifications.—The plan described in subsection (a) shall—

“(A) require the disclosure of any immediate, highest-level, or beneficial owner that is a foreign person;

“(B) require that, if the Federal lessee is assigning the building or other improvement that will be used for high-security space to a Federal tenant, the Federal tenant shall be notified of the disclosure described in subparagraph (A); and

“(C) exclude collecting ownership information on widely held pooled-investment vehicles, mutual funds, trusts, or other pooled-investment vehicles.

“(c) REPORT AND IMPLEMENTATION.—The General Services Administration shall—

“(1) not later than 1 year after the date of enactment of this Act [Dec. 31, 2020], submit the plan described in subsection (a) to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives;

“(2) not later than 2 years after the date of enactment of this Act, implement the plan described in subsection (a); and

“(3) not later than 1 year after the implementation of the plan described in subsection (a), and each year thereafter for 9 years, submit a report to the Com-

mittee on Homeland Security and Governmental Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives on the status of the implementation of the plan, including the number of disclosures made under subsection (b)(2).

“SEC. 5. OTHER SECURITY AGREEMENTS FOR LEASED SPACE.

“A lease agreement between a Federal lessee and a covered entity for the accommodation of a Federal agency in a building or other improvement that will be used for high-security leased space shall include language that provides that—

“(1) the covered entity and any member of the property management company who may be responsible for oversight or maintenance of the high-security leased space shall not—

“(A) maintain access to the high-security leased space; or

“(B) have access to the high-security leased space without prior approval from the Federal tenant;

“(2) access to the high-security leased space or any property or information located within that space will only be granted by the Federal tenant if the Federal tenant determines that the access is clearly consistent with the mission and responsibilities of the Federal tenant; and

“(3) the Federal lessee shall have written procedures in place, signed by the Federal lessee and the covered entity, governing access to the high-security leased space in case of emergencies that may damage the leased property.

“SEC. 6. AGENCY NOTIFICATIONS.

“Not later than 60 days after the date of enactment of this Act [Dec. 31, 2020], the Administrator of General Services, in consultation with the Office of Management and Budget, shall provide notification to relevant Executive branch agencies with independent leasing authorities of the requirements of this Act.

“SEC. 7. APPLICABILITY.

“Except where otherwise provided, this Act shall apply with respect to any lease or novation agreement entered into on or after the date that is 6 months after the date of enactment of this Act.”

LEASE OF BUILDING SPACE BY WHOLLY OWNED GOVERNMENT CORPORATIONS

Act July 30, 1947, ch. 358, title III, §306, 61 Stat. 584, provided in part that: “Wholly owned Government corporations requiring space in office buildings at the seat of government shall occupy only such space as may be allotted in accordance with the provisions of such Act of March 1, 1919, as amended [ch. 86, §10, 40 Stat. 1269] ([former] 40 U.S.C. 1), and shall pay such rental thereon as may be determined by the Federal Works Administrator [Administrator of General Services], such rental to include all cost of maintenance, upkeep, and repair.”

§ 586. Charges for space and services

(a) DEFINITION.—In this section, “space and services” means space, services, quarters, maintenance, repair, and other facilities.

(b) CHARGES BY ADMINISTRATOR OF GENERAL SERVICES.—

(1) IN GENERAL.—The Administrator of General Services shall impose a charge for furnishing space and services.

(2) RATES.—The Administrator shall, from time to time, determine the rates to be charged for furnishing space and services and shall prescribe regulations providing for the rates. The rates shall approximate commercial charges for comparable space and services. However, for a building for which the Administrator is responsible for alterations only (as

the term “alter” is defined in section 3301(a) of this title), the rates shall be fixed to recover only the approximate cost incurred in providing alterations.

(3) EXEMPTIONS.—The Administrator may exempt anyone from the charges required by this subsection when the Administrator determines that charges would be infeasible or impractical. To the extent an exemption is granted, appropriations to the General Services Administration are authorized to reimburse the Federal Buildings Fund for any loss of revenue.

(c) CHARGES BY EXECUTIVE AGENCIES.—

(1) IN GENERAL.—An executive agency, other than the Administration, may impose a charge for furnishing space and services at rates approved by the Administrator.

(2) CREDITING AMOUNTS RECEIVED.—An amount an executive agency receives under this subsection shall be credited to the appropriation or fund initially charged for providing the space or service. However, amounts in excess of actual operating and maintenance costs shall be credited to miscellaneous receipts unless otherwise provided by law.

(d) RENT PAYMENTS FOR LEASE SPACE.—An agency may make rent payments to the Administration for lease space relating to expansion needs of the agency. Payment rates shall approximate commercial charges for comparable space as provided in subsection (b). Payments shall be deposited into the Federal Buildings Fund. The Administration may use amounts received under this subsection, in addition to amounts received as New Obligational Authority, in the Rental of Space activity of the Fund.

(Pub. L. 107-217, Aug. 21, 2002, 116 Stat. 1113.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
586(a), (b) ...	40:490(j).	June 30, 1949, ch. 288, title II, §210(j), (k), as added Pub. L. 92-313, §4, June 16, 1972, 86 Stat. 219.
586(c)	40:490(k).	
586(d)	40:490f.	Pub. L. 102-393, title IV, §5, Oct. 6, 1992, 106 Stat. 1750.

In subsection (b)(3), the words “Federal Buildings Fund” are substituted for “the fund” for clarity and to execute the probable intent of Congress. Sections 3 and 4 of the Public Buildings Amendments of 1972 (Public Law 92-313, 86 Stat. 218) added subsection (j) of 40:490 (in which the words “the fund” appear) and amended subsection (f) to create a fund into which “charges made pursuant to subsection (j)” are deposited (40:490(f)(1)(A)). That fund was subsequently named “Federal Buildings Fund” by section 153(1) of the Energy Policy Act of 1992 (Public Law 102-486, 106 Stat. 2851). If an exemption from charges is granted under 40:490(j), “the fund” that suffers the loss of revenue is the Federal Buildings Fund.

In subsection (d), the words “on and after October 6, 1992” are omitted as obsolete. The words “subsection (b)” are substituted for “section 201(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(j))” in section 5(a) of the Independent Agencies Appropriations Act, 1993, to reflect the probable intent of Congress. Section 201 of the Federal Property and Administrative Services Act of 1949 does not contain a subsection (j) and the intended reference was probably “section 210(j)”, which is restated