

Calendar No. 185118TH CONGRESS
1ST SESSION**S. 1868****[Report No. 118–82]**

To require an interagency study to produce a security assessment process on adjacent space to high-security leased space to accommodate a Federal agency, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 7, 2023

Mr. PETERS (for himself and Mr. SCOTT of Florida) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

JULY 27, 2023

Reported by Mr. PETERS, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To require an interagency study to produce a security assessment process on adjacent space to high-security leased space to accommodate a Federal agency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Secure Adjacent Fed-
3 eral Property Act of 2023”.

4 **SEC. 2. DEFINITIONS.**

5 In this Act:

6 (1) **ADMINISTRATOR.**—The term “Adminis-
7 trator” means the Administrator of General Serv-
8 ices.

9 (2) **BENEFICIAL OWNER.**—

10 (A) **IN GENERAL.**—The term “beneficial
11 owner”, with respect to a covered entity, means
12 each natural person who, directly or indirectly,
13 through any contract, arrangement, under-
14 standing, relationship, or otherwise—

15 (i) exercises control over the covered
16 entity; or

17 (ii) has a substantial interest in or re-
18 ceives substantial economic benefits from
19 the assets of the covered entity.

20 (B) **EXCLUSIONS.**—The term “beneficial
21 owner”, with respect to a covered entity, does
22 not include—

23 (i) a minor;

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

1 (iii) a person acting solely as an em-
 2 ployee of the covered entity and whose con-
 3 trol over or economic benefits from the
 4 covered entity derives solely from the em-
 5 ployment status of the person;

6 (iv) a person whose only interest in
 7 the covered entity is through a right of in-
 8 heritance, unless the person also meets the
 9 requirements of subparagraph (A); or

10 (v) a creditor of the covered entity,
 11 unless the creditor also meets the require-
 12 ments of subparagraph (A).

13 (C) ANTI-ABUSE RULE.—The exclusions
 14 under subparagraph (B) shall not apply if, in
 15 the determination of the Administrator, an ex-
 16 clusion is used for the purpose of evading, cir-
 17 cumventing, or abusing the requirements of this
 18 Act.

19 (3) CONTROL.—The term “control”, with re-
 20 spect to a covered entity, means—

21 (A) having the authority or ability to de-
 22 termine how the covered entity is used; or

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

1 (4) COVERED ENTITY.—The term “covered en-
2 tity” means—

3 (A) a person, corporation, company, busi-
4 ness association, partnership, society, trust, or
5 any other nongovernmental entity, organization,
6 or group; and

7 (B) any governmental entity or instrumen-
8 tality of a government.

9 (5) EXECUTIVE AGENCY.—The term “Executive
10 agency” has the meaning given the term in section
11 105 of title 5, United States Code.

12 (6) FEDERAL AGENCY.—The term “Federal
13 agency” means—

14 (A) an Executive agency; and

15 (B) any establishment in the legislative or
16 judicial branch of the Federal Government.

17 (7) FEDERAL LESSEE.—

18 (A) IN GENERAL.—The term “Federal les-
19 see” means—

20 (i) the Administrator;

21 (ii) the Architect of the Capitol; and

22 (iii) the head of any other Federal
23 agency that has independent statutory
24 leasing authority.

1 (B) EXCLUSIONS.—The term “Federal les-
2 see” does not include—

3 (i) the head of an element of the intel-
4 ligence community; or

5 (ii) the Secretary of Defense.

6 (8) FEDERAL TENANT.—

7 (A) IN GENERAL.—The term “Federal ten-
8 ant” means a Federal agency that is occupying
9 or will occupy a high-security leased space for
10 which a lease agreement has been secured on
11 behalf of the Federal agency.

12 (B) EXCLUSION.—The term “Federal ten-
13 ant” does not include an element of the intel-
14 ligence community.

15 (9) FOREIGN ENTITY.—The term “foreign enti-
16 ty” means a covered entity that is headquartered or
17 incorporated in a country that is not the United
18 States.

19 (10) FOREIGN PERSON.—The term “foreign
20 person” means an individual who is not a United
21 States person.

22 (11) HIGH-SECURITY LEASED ADJACENT
23 SPACE.—The term “high-security leased adjacent
24 space” means a building or office space that shares

1 a boundary with or surrounds a high-security leased
2 space.

3 ~~(12) HIGH-SECURITY LEASED SPACE.—~~The
4 term “high-security leased space” means a space
5 leased by a Federal lessee that—

6 ~~(A)~~ will be occupied by Federal employees
7 for nonmilitary activities; and

8 ~~(B)~~ has a facility security level of III, IV,
9 or V, as determined by the Federal tenant in
10 consultation with the Interagency Security
11 Committee, the Secretary of Homeland Secu-
12 rity, and the Administrator.

13 ~~(13) HIGHEST-LEVEL OWNER.—~~The term
14 “highest-level owner” means an entity that owns or
15 controls—

16 ~~(A)~~ an immediate owner of the offeror of
17 a lease for a high-security leased adjacent
18 space; or

19 ~~(B)~~ ~~1~~ or more entities that control an im-
20 mediate owner of the offeror of a lease de-
21 scribed in subparagraph ~~(A)~~.

22 ~~(14) IMMEDIATE OWNER.—~~The term “imme-
23 diate owner” means an entity, other than the offeror
24 of a lease for a high-security leased adjacent space,
25 that has direct control of that offeror, including—

1 (A) ownership or interlocking management;

2 (B) identity of interests among family
3 members;

4 (C) shared facilities and equipment; and

5 (D) the common use of employees.

6 (15) INTELLIGENCE COMMUNITY.—The term
7 “intelligence community” has the meaning given the
8 term in section 3 of the National Security Act of
9 1947 (50 U.S.C. 3003).

10 (16) SUBSTANTIAL ECONOMIC BENEFITS.—The
11 term “substantial economic benefits”, with respect
12 to a natural person described in paragraph
13 (2)(A)(ii), means having an entitlement to the funds
14 or assets of a covered entity that, as a practical mat-
15 ter, enables the person, directly or indirectly, to con-
16 trol, manage, or direct the covered entity.

17 (17) UNITED STATES PERSON.—The term
18 “United States person” means an individual who—

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

20 (B) is an alien lawfully admitted for per-
21 manent residence in the United States.

22 **SEC. 3. GOVERNMENTWIDE STUDY.**

23 (a) COORDINATION STUDY.—The Administrator, in
24 coordination with the Director of the Federal Protective
25 Service, the Secretary of Homeland Security, the Director

1 of the Office of Management and Budget, and any other
2 relevant entities, as determined by the Administrator,
3 shall carry out a governmentwide study examining options
4 to assist agencies (as defined is defined in section 551 of
5 title 5, United States Code) to produce a security assess-
6 ment process on high-security leased adjacent space before
7 entering into a lease or novation agreement with a covered
8 entity for the purposes of accommodating a Federal ten-
9 ant located in a high-security leased space.

10 (b) CONTENTS.—The study required under sub-
11 section (a)—

12 (1) shall evaluate how to produce a security as-
13 sessment process that includes a process for assess-
14 ing the threat level of each occupancy of a high-se-
15 curity leased space, including through—

16 (A) site-visits;

17 (B) interviews; and

18 (C) any other relevant activities deter-
19 mined necessary by the Director of the Federal
20 Protective Service; and

21 (2) may include a process for collecting and
22 using information on each immediate owner, highest-
23 level owner, or beneficial owner of a covered entity
24 that seeks to enter into a lease with a Federal lessee

1 for a high-security leased adjacent space, includ-
2 ing—

3 (A) name;

4 (B) current residential or business street
5 address; and

6 (C) an identifying number or document
7 that verifies identity as a United States person,
8 a foreign person, or foreign entity.

9 (c) WORKING GROUP.—

10 (1) IN GENERAL.—Not later than 90 days after
11 the date of enactment of this Act, the Administrator,
12 in coordination with the Director of Federal Protec-
13 tive Service, the Secretary of Homeland Security,
14 the Director of the Office of Management and Budget,
15 and any other relevant entities, as determined by
16 the Administrator, shall establish a working group
17 to assist in the carrying out of the study required
18 under subsection (a).

19 (2) NO COMPENSATION.—A member of the
20 working group established under paragraph (1) shall
21 receive no compensation as a result of serving on the
22 working group.

23 (3) SUNSET.—The working group established
24 under paragraph (1) shall terminate on the date on

1 which the report required under subsection (e) is
2 submitted.

3 (d) PROTECTION OF INFORMATION.—The Adminis-
4 trator shall ensure that any information collected pursu-
5 ant to the study required under subsection (a) shall not
6 be made available to the public.

7 (e) REPORT.—Not later than 2 years after the date
8 of enactment of this Act, the Administrator, in coordina-
9 tion with the Director of Federal Protective Service, the
10 Secretary of Homeland Security, the Director of the Office
11 of Management and Budget, and any other relevant enti-
12 ties, as determined by the Administrator, shall submit to
13 the Committee on Homeland Security and Governmental
14 Affairs of the Senate and the Committee on Transpor-
15 tation and Infrastructure of the House of Representatives
16 a report describing—

17 (1) the results of the study required under sub-
18 section (a); and

19 (2) how all applicable privacy laws and rights
20 relating to the First and Fourth Amendments to the
21 Constitution of the United States would be upheld
22 and followed in—

23 (A) the security assessment process de-
24 scribed in paragraph (1) of subsection (b); and

1 ~~(B)~~ the information collection process de-
2 scribed in paragraph ~~(2)~~ of that subsection.

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Secure Adjacent Federal*
5 *Property Act of 2023”.*

6 **SEC. 2. DEFINITIONS.**

7 *In this Act:*

8 (1) *ADMINISTRATOR.*—*The term “Adminis-*
9 *trator” means the Administrator of General Services.*

10 (2) *BENEFICIAL OWNER.*—

11 (A) *IN GENERAL.*—*The term “beneficial*
12 *owner”, with respect to a covered entity, means*
13 *each natural person who, directly or indirectly,*
14 *through any contract, arrangement, under-*
15 *standing, relationship, or otherwise—*

16 (i) *exercises substantial control over*
17 *the covered entity; or*

18 (ii) *owns or controls not less than 25*
19 *percent of the ownership interests of, or re-*
20 *ceives substantial economic benefits from the*
21 *assets of, the covered entity.*

22 (B) *EXCLUSIONS.*—*The term “beneficial*
23 *owner”, with respect to a covered entity, does not*
24 *include—*

25 (i) *a minor;*

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

4 (iii) a person acting solely as an em-
5 ployee of the covered entity and whose con-
6 trol over or economic benefits from the cov-
7 ered entity derives solely from the employ-
8 ment status of the person;

9 (iv) a person whose only interest in the
10 covered entity is through a right of inherit-
11 ance, unless the person also meets the re-
12 quirements of subparagraph (A); or

13 (v) a creditor of the covered entity, un-
14 less the creditor also meets the requirements
15 of subparagraph (A).

16 (C) *ANTI-ABUSE RULE.*—The exclusions
17 under subparagraph (B) shall not apply if, in
18 the determination of the Administrator, an ex-
19 clusion is used for the purpose of evading, cir-
20 cumventing, or abusing the requirements of this
21 Act.

22 (3) *CONTROL.*—The term “control”, with respect
23 to a covered entity, means—

24 (A) having the authority or ability to deter-
25 mine how the covered entity is utilized; or

1 (B) *having some decisionmaking power for*
 2 *the use of the covered entity.*

3 (4) *COVERED ENTITY.*—*The term “covered enti-*
 4 *ty” means—*

5 (A) *a person, corporation, company, busi-*
 6 *ness association, partnership, society, trust, or*
 7 *any other nongovernmental entity, organization,*
 8 *or group; or*

9 (B) *any governmental entity or instrumen-*
 10 *tality of a government.*

11 (5) *EXECUTIVE AGENCY.*—*The term “Executive*
 12 *agency” has the meaning given the term in section*
 13 *105 of title 5, United States Code.*

14 (6) *FEDERAL AGENCY.*—*The term “Federal agen-*
 15 *cy” means—*

16 (A) *an Executive agency; and*

17 (B) *any establishment in the legislative or*
 18 *judicial branch of the Federal Government.*

19 (7) *FEDERAL LESSEE.*—

20 (A) *IN GENERAL.*—*The term “Federal les-*
 21 *see” means—*

22 (i) *the Administrator;*

23 (ii) *the Architect of the Capitol; and*

1 (iii) the head of any other Federal
2 agency that has independent statutory leas-
3 ing authority.

4 (B) *EXCLUSIONS.*—The term “Federal les-
5 see” does not include—

6 (i) the head of an element of the intel-
7 ligence community; or

8 (ii) the Secretary of Defense.

9 (8) *FEDERAL TENANT.*—

10 (A) *IN GENERAL.*—The term “Federal ten-
11 ant” means a Federal agency that is occupying
12 or will occupy a high-security leased space for
13 which a lease agreement has been secured on be-
14 half of the Federal agency.

15 (B) *EXCLUSION.*—The term “Federal ten-
16 ant” does not include an element of the intel-
17 ligence community.

18 (9) *FOREIGN ENTITY.*—The term “foreign entity”
19 means—

20 (A) a corporation, company, business asso-
21 ciation, partnership, society, trust, or any other
22 nongovernmental entity, organization, or group
23 that is headquartered in or organized under the
24 laws of—

1 (i) a country that is not the United
2 States; or

3 (ii) a State, unit of local government,
4 or Indian Tribe that is not located within
5 or a territory of the United States; or

6 (B) a government or governmental instru-
7 mentality that is not—

8 (i) the United States Government; or

9 (ii) a State, unit of local government,
10 or Indian Tribe that is located within or a
11 territory of the United States.

12 (10) *FOREIGN PERSON*.—The term “foreign per-
13 son” means an individual who is not a United States
14 person.

15 (11) *HIGH-SECURITY LEASED ADJACENT*
16 *SPACE*.—The term “high-security leased adjacent
17 space” means a building or office space that shares a
18 boundary with or surrounds a high-security leased
19 space.

20 (12) *HIGH-SECURITY LEASED SPACE*.—The term
21 “high-security leased space” means a space leased by
22 a Federal lessee that—

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

1 (B) has a facility security level of III, IV,
2 or V, as determined by the Federal tenant in
3 consultation with the Interagency Security Com-
4 mittee, the Secretary of Homeland Security, and
5 the Administrator.

6 (13) *HIGHEST-LEVEL OWNER.*—The term “high-
7 est-level owner” means an entity that owns or con-
8 trols—

9 (A) an immediate owner of the offeror of a
10 lease for a high-security leased adjacent space; or

11 (B) 1 or more entities that control an im-
12 mediate owner of the offeror of a lease described
13 in subparagraph (A).

14 (14) *IMMEDIATE OWNER.*—The term “immediate
15 owner” means an entity, other than the offeror of a
16 lease for a high-security leased adjacent space, that
17 has direct control of that offeror, including—

18 (A) ownership or interlocking management;

19 (B) identity of interests among family
20 members;

21 (C) shared facilities and equipment; and

22 (D) the common use of employees.

23 (15) *INTELLIGENCE COMMUNITY.*—The term “in-
24 telligence community” has the meaning given the

1 *term in section 3 of the National Security Act of 1947*
2 *(50 U.S.C. 3003).*

3 (16) *SUBSTANTIAL ECONOMIC BENEFITS.*—*The*
4 *term “substantial economic benefits”, with respect to*
5 *a natural person described in paragraph (2)(A)(ii),*
6 *means having an entitlement to the funds or assets of*
7 *a covered entity that, as a practical matter, enables*
8 *the person, directly or indirectly, to control, manage,*
9 *or direct the covered entity.*

10 (17) *UNITED STATES PERSON.*—*The term*
11 *“United States person” means an individual who—*
12 *(A) is a citizen of the United States; or*
13 *(B) is an alien lawfully admitted for per-*
14 *manent residence in the United States.*

15 **SEC. 3. GOVERNMENT-WIDE STUDY.**

16 (a) *COORDINATION STUDY.*—*The Administrator, in co-*
17 *ordination with the Director of the Federal Protective Serv-*
18 *ice, the Secretary of Homeland Security, the Director of the*
19 *Office of Management and Budget, and any other relevant*
20 *entities, as determined by the Administrator, shall carry*
21 *out a Government-wide study examining options to assist*
22 *agencies (as defined in section 551 of title 5, United States*
23 *Code) to produce a security assessment process for high-se-*
24 *curity leased adjacent space before entering into a lease or*
25 *novation agreement with a covered entity for the purposes*

1 *of accommodating a Federal tenant located in a high-security*
2 *leased space.*

3 (b) *CONTENTS.*—*The study required under subsection*
4 *(a)—*

5 (1) *shall evaluate how to produce a security assessment*
6 *process that includes a process for assessing*
7 *the threat level of each occupancy of a high-security*
8 *leased adjacent space, including through—*

9 (A) *site-visits;*

10 (B) *interviews; and*

11 (C) *any other relevant activities determined*
12 *necessary by the Director of the Federal Protective*
13 *Service; and*

14 (2) *may include a process for collecting and*
15 *using information on each immediate owner, highest-*
16 *level owner, or beneficial owner of a covered entity*
17 *that seeks to enter into a lease with a Federal lessee*
18 *for a high-security leased adjacent space, including—*

19 (A) *name;*

20 (B) *current residential or business street address; and*

21 (C) *an identifying number or document*
22 *that verifies identity as a United States person,*
23 *a foreign person, or a foreign entity.*

24 (c) *WORKING GROUP.*—
25

1 (1) *IN GENERAL.*—Not later than 90 days after
2 the date of enactment of this Act, the Administrator,
3 in coordination with the Director of Federal Protec-
4 tive Service, the Secretary of Homeland Security, the
5 Director of the Office of Management and Budget,
6 and any other relevant entities, as determined by the
7 Administrator, shall establish a working group to as-
8 sist in the carrying out of the study required under
9 subsection (a).

10 (2) *NO COMPENSATION.*—A member of the work-
11 ing group established under paragraph (1) shall re-
12 ceive no compensation as a result of serving on the
13 working group.

14 (3) *SUNSET.*—The working group established
15 under paragraph (1) shall terminate on the date on
16 which the report required under subsection (f) is sub-
17 mitted.

18 (d) *PROTECTION OF INFORMATION.*—The Adminis-
19 trator shall ensure that any information collected pursuant
20 to the study required under subsection (a) shall not be made
21 available to the public.

22 (e) *LIMITATION.*—Nothing in this section requires an
23 entity located in the United States to provide information
24 requested pursuant to the study required under subsection
25 (a).

1 (f) *REPORT.*—Not later than 2 years after the date of
2 enactment of this Act, the Administrator, in coordination
3 with the Director of Federal Protective Service, the Sec-
4 retary of Homeland Security, the Director of the Office of
5 Management and Budget, and any other relevant entities,
6 as determined by the Administrator, shall submit to the
7 Committee on Homeland Security and Governmental Af-
8 fairs of the Senate and the Committee on Transportation
9 and Infrastructure of the House of Representatives a report
10 describing—

11 (1) the results of the study required under sub-
12 section (a); and

13 (2) how all applicable privacy laws and rights
14 relating to the First and Fourth Amendments to the
15 Constitution of the United States would be upheld
16 and followed in—

17 (A) the security assessment process described
18 in paragraph (1) of subsection (b); and

19 (B) the information collection process de-
20 scribed in paragraph (2) of that subsection.

21 (g) *LIMITATION.*—Nothing in this section authorizes a
22 Federal entity to mandate information gathering unless
23 specifically authorized by law.

1 *(h) PROHIBITION.—No information collected pursuant*
2 *the security assessment process described in subsection*
3 *(b)(1) may be used for law enforcement purposes.*

4 *(i) NO ADDITIONAL FUNDING.—No additional funds*
5 *are authorized to be appropriated to carry out this section.*

Calendar No. 185

118TH CONGRESS
1ST Session

S. 1868

[Report No. 118-82]

A BILL

To require an interagency study to produce a security assessment process on adjacent space to high-security leased space to accommodate a Federal agency, and for other purposes.

JULY 27, 2023

Reported with an amendment