

HOUSE BILL No. 5464

September 24, 2009, Introduced by Reps. Rick Jones, Opsommer, Tyler, Genetski, Lund, Agema, Meekhof, Schuitmaker, Rocca, Sheltroun, McMillin, Calley, DeShazor, Kurtz, Hildenbrand, LeBlanc, Polidori, Hansen, Kowall, Marleau, Knollenberg, Green, Ball and Moss and referred to the Committee on Judiciary.

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending section 221 (MCL 18.1221), as amended by 1999 PA 8.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 221. (1) The director may provide for the rental and
2 lease of land and facilities for the use of state agencies in the
3 manner provided by law. ~~The rentals and leases shall not be~~ **A SPACE**
4 **OR FACILITIES LEASE, LEASE RENEWAL, OR LEASE EXTENSION OF**
5 **\$100,000.00 OR MORE, OR ANY SPACE OR FACILITIES RENTAL AGREEMENT**
6 **FOR LESS THAN 2 YEARS AT \$2,000.00 PER MONTH OR MORE, SHALL BE**
7 **AWARDED THROUGH A COMPETITIVE BID PROCESS. THE SPECIFICATIONS IN**
8 **THE BID SOLICITATION SHALL BE STATED IN THE MOST GENERAL TERMS THAT**
9 **WILL MEET THE AGENCY'S NEEDS. A WAIVER OF THE REQUIREMENT FOR**

1 **COMPETITIVE BIDS MAY BE GRANTED IN EXCEPTIONAL CIRCUMSTANCES BY**
2 **UNANIMOUS VOTE OF THE STATE ADMINISTRATIVE BOARD WITH NOTIFICATION**
3 **TO THE JOINT CAPITAL OUTLAY SUBCOMMITTEE. A RENTAL OR LEASE**
4 **AGREEMENT IS NOT** effective unless approved by the board.

5 (2) If a project costs more than \$1,000,000.00 and consists of
6 less than 25,000 gross square feet, the department shall notify the
7 joint capital outlay subcommittee in writing of its intent to
8 proceed with such a facility. The notice shall be given 30 days
9 before the lease contract providing for the proposed constructions
10 is entered into.

11 (3) If the director proposes to lease space or a facility
12 ~~which~~**THAT** meets either of the following criteria, approval of the
13 joint capital outlay subcommittee is required prior to board
14 approval:

15 (a) The space or facility exceeds 25,000 gross square feet.

16 (b) The annual base cost of the proposed lease is more than
17 \$500,000.00.

18 (4) For the purposes of this section, the renewal of an
19 existing lease will require the approval of the joint capital
20 outlay subcommittee if the renewal results in changes to the lease
21 that would cause it to meet the requirements outlined in subsection
22 (3).

23 (5) The department may grant easements ~~—~~upon terms and
24 conditions the board determines are just and reasonable ~~—~~for
25 highway and road purposes, and for constructing, operating, and
26 maintaining pipelines or electric, telephone, telegraph,
27 television, gas, sanitary sewer, storm sewer, or other utility

1 lines including all supporting fixtures and other appurtenances
2 over, through, under, upon, and across any land belonging to this
3 state, except lands under the jurisdiction of the department of
4 natural resources, the department of military affairs, or the state
5 transportation department.

6 (6) The department shall determine annually the prevailing
7 market rental values of all state owned office facilities and
8 private facilities which provide housing for state employees. The
9 rental values determined ~~pursuant to~~ **UNDER** this subsection shall
10 **ARE** not ~~be~~ effective unless approved by the board. The renting,
11 leasing, or licensing of state owned land and facilities to private
12 and public entities shall be at prevailing market rental values or
13 at actual costs as determined by the director.

14 (7) The department shall charge state agencies for building
15 occupancy in state owned facilities under the jurisdiction of the
16 department. The rates to be charged for building occupancy shall be
17 coordinated with the budget cycle. The rates shall reflect the
18 actual cost for occupancy of the facilities.