

HOUSE BILL No. 6023

July 22, 1992, Introduced by Rep. Profit and referred to the Committee on Appropriations.

A bill to amend section 221 of Act No. 431 of the Public Acts of 1984, entitled as amended

"The management and budget act,"

as amended by Act No. 504 of the Public Acts of 1988, being section 18.1221 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 221 of Act No. 431 of the Public Acts of
2 1984, as amended by Act No. 504 of the Public Acts of 1988, being
3 section 18.1221 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 221. (1) The director may provide for the rental and
6 lease of land and facilities for the use of state agencies in the
7 manner provided by law. The rentals and leases shall not be
8 effective unless approved by the board. Before a facility or
9 space is leased by the state, consisting of a total of 25,000

1 gross square feet or more for a term of more than 5 years, the
2 lease shall be approved by the joint capital outlay subcommittee
3 of the legislature. For the purposes of this subsection, a lease
4 agreement for more than the total gross square feet previously
5 approved by the joint capital outlay subcommittee shall be con-
6 sidered a new agreement subject to approval of the joint capital
7 outlay subcommittee.

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

14 (3) The department may grant easements, upon terms and con-
15 ditions the board determines are just and reasonable, for highway
16 and road purposes, and for constructing, operating, and maintain-
17 ing pipelines or electric, telephone, telegraph, television, gas,
18 sanitary sewer, storm sewer, or other utility lines including all
19 supporting fixtures and other appurtenances over, through, under,
20 upon, and across any land belonging to this state, except lands
21 under the jurisdiction of the department of natural resources,
22 the department of military affairs, or the state transportation
23 department.

24 (4) The department shall determine annually the prevailing
25 market rental values of all state owned office facilities and
26 private facilities ~~which~~ THAT provide housing for state
27 employees. The rental values determined pursuant to this

1 subsection shall not be effective unless approved by the board.
2 ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (6), THE renting
3 and leasing of excess state owned land and buildings to private
4 and public entities shall be at prevailing market rental values.

5 (5) The department shall determine the rentals for occupancy
6 of the department of labor building in the city of Detroit pursu-
7 ant to section 223.

8 (6) THE DEPARTMENT MAY RENT OR LEASE A STATE FACILITY AT
9 LESS THAN THE PREVAILING MARKET RENTAL VALUE IF ALL OF THE FOL-
10 LOWING REQUIREMENTS ARE MET:

11 (A) THE LESSEE IS A PUBLIC OR PRIVATE NONPROFIT ORGANIZATION
12 FORMED TO PROVIDE SHELTER FOR HOMELESS INDIVIDUALS.

13 (B) THE FACILITY IS LEASED TO PROVIDE SHELTER FOR HOMELESS
14 INDIVIDUALS.

15 (C) THE FACILITY WAS FORMERLY USED BY THE DEPARTMENT OF
16 MENTAL HEALTH TO PROVIDE RESIDENTIAL MENTAL HEALTH SERVICES.

17 (7) IF THE DEPARTMENT LEASES A STATE FACILITY UNDER SUBSEC-
18 TION (6) IT MAY WAIVE A PROVISION IN ITS STANDARD LEASE FORM
19 INCLUDING, BUT NOT LIMITED TO, THE REQUIREMENT THAT THE LESSEE
20 PROVIDE INSURANCE, IN ORDER TO EFFECTUATE THE PURPOSES OF THE
21 LEASE AS DESCRIBED IN SUBSECTION (6)(B).