

HOUSE BILL No. 5306

September 2, 2009, Introduced by Reps. Kowall, Walsh, Haines, Rick Jones, Elsenheimer, Agema, Green, Marleau, Rogers, Rocca, Tyler, Lori, Ball, Paul Scott, Wayne Schmidt, Calley, McMillin, Daley, Pavlov, Crawford, Liss, Knollenberg, Meekhof, Moss, Genetski, Scripps, Lund, Bolger, Moore, Horn and Sheltroun and referred to the Committee on Government Operations.

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
4 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~~ **THE** facility. The notice shall be given 30 days
9 before the lease contract providing for the proposed constructions

1 is entered into.

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

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

7 (b) The annual base cost of the proposed lease is more than
8 \$500,000.00.

9 (4) For the purposes of this section, the renewal of an
10 existing lease will require the approval of the joint capital
11 outlay subcommittee if the renewal results in changes to the lease
12 that would cause it to meet the requirements outlined in subsection
13 (3).

14 **(5) BEGINNING OCTOBER 1, 2009, THE DEPARTMENT SHALL**
15 **COMPETITIVELY SOLICIT THE RENTAL, LEASE, OR LEASE PURCHASE OF LAND**
16 **OR FACILITIES FOR A STATE AGENCY IF EITHER OF THE FOLLOWING**
17 **APPLIES:**

18 **(A) THE RENTAL OR LEASE MEETS THE COST OR GROSS SQUARE FEET**
19 **REQUIREMENTS CONTAINED IN SUBSECTION (2) OR (3).**

20 **(B) THE LEASE PURCHASE OTHERWISE MEETS THE COST OR GROSS**
21 **SQUARE FEET REQUIREMENTS CONTAINED IN SUBSECTION (2) OR (3).**

22 **(6) ~~(5)~~**The department may grant easements, upon terms and
23 conditions the board determines are just and reasonable, for
24 highway and road purposes, and for constructing, operating, and
25 maintaining pipelines or electric, telephone, telegraph,
26 television, gas, sanitary sewer, storm sewer, or other utility
27 lines including all supporting fixtures and other appurtenances

1 over, through, under, upon, and across any land belonging to this
2 state, except lands under the jurisdiction of the department of
3 natural resources, the department of military affairs, or the state
4 transportation department.

5 (7) ~~(6)~~—The department shall determine annually the prevailing
6 market rental values of all state owned office facilities and
7 private facilities ~~which~~ **THAT** provide housing for state employees.
8 The rental values determined ~~pursuant to~~ **UNDER** this subsection
9 ~~shall~~ **ARE** not be effective unless approved by the board. The
10 renting, leasing, or licensing of state owned land and facilities
11 to private and public entities shall be at prevailing market rental
12 values or at actual costs as determined by the director.

13 (8) ~~(7)~~—The department shall charge state agencies for
14 building occupancy in state owned facilities under the jurisdiction
15 of the department. The rates to be charged for building occupancy
16 shall be coordinated with the budget cycle. The rates shall reflect
17 the actual cost for occupancy of the facilities.