

# HOUSE BILL No. 5466

September 24, 2009, Introduced by Reps. Calley, Rick Jones, Opsommer, Tyler, Genetski, Lund, Agema, Meekhof, Schuitmaker, Rocca, Sheltroun, McMillin, 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  
10      COMPETITIVE BIDS MAY BE GRANTED IN EXCEPTIONAL CIRCUMSTANCES BY

1 UNANIMOUS VOTE OF THE STATE ADMINISTRATIVE BOARD WITH NOTIFICATION  
2 TO THE JOINT CAPITAL OUTLAY SUBCOMMITTEE. A RENTAL OR LEASE  
3 AGREEMENT IS NOT effective unless approved by the board.

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

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

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

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

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

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

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

18 **(8) AFTER THE AWARD OF A LEASE THROUGH THE COMPETITIVE BID**  
19 **PROCESS REQUIRED IN SUBSECTION (1), THE BIDS SHALL BE PUBLIC**  
20 **RECORDS SUBJECT TO DISCLOSURE AS PROVIDED IN THE FREEDOM OF**  
21 **INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.**