

# SENATE BILL No. 877

September 25, 2009, Introduced by Senators BROWN, PAPPAGEORGE, GEORGE, KAHN, RICHARDVILLE, PATTERSON, STAMAS and CASSIS and referred to the Committee on Appropriations.

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 facility. The notice shall be given 30 days  
9       before the lease contract providing for the proposed constructions  
10      is entered into.

1           (3) If the director proposes to lease space or a facility  
2 which meets ~~either~~ **1 OR MORE** of the following criteria, approval of  
3 the joint capital outlay subcommittee is required prior to board  
4 approval:

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

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

8           **(C) TWO OR MORE LEASE AGREEMENTS AT THE SAME FACILITY, IN THE**  
9 **AGGREGATE, EXCEED THE SQUARE FOOT LIMIT IN SUBDIVISION (A) OR THE**  
10 **ANNUAL BASE COST LIMIT IN SUBDIVISION (B).**

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

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

26           (6) The department shall determine annually the prevailing  
27 market rental values of all state owned office facilities and

1 private facilities which provide housing for state employees. The  
2 rental values determined pursuant to this subsection shall not be  
3 effective unless approved by the board. The renting, leasing, or  
4 licensing of state owned land and facilities to private and public  
5 entities shall be at prevailing market rental values or at actual  
6 costs as determined by the director.

7 (7) The department shall charge state agencies for building  
8 occupancy in state owned facilities under the jurisdiction of the  
9 department. The rates to be charged for building occupancy shall be  
10 coordinated with the budget cycle. The rates shall reflect the  
11 actual cost for occupancy of the facilities.

12 (8) BEGINNING JULY 1, 2010, IF THE DIRECTOR PROPOSES TO LEASE  
13 SPACE IN WHICH THE BASE COST IS MORE THAN \$1,000,000.00 OR TO  
14 EXERCISE AN OPTION TO PURCHASE A FACILITY, THE DIRECTOR SHALL  
15 SUBMIT THE QUESTION OF APPROVAL OF THE LEASE OR EXERCISE OF THE  
16 OPTION TO PURCHASE TO THE LEGISLATURE. THE DIRECTOR SHALL PROCEED  
17 WITH THE LEASE OR OPTION TO PURCHASE ONLY IF THE LEGISLATURE  
18 APPROVES BY A CONCURRENT RESOLUTION ADOPTED BY A MAJORITY VOTE OF  
19 THOSE ELECTED TO AND SERVING IN EACH HOUSE OF THE LEGISLATURE ON A  
20 RECORD ROLL CALL VOTE.

21 (9) BEFORE IMPLEMENTING ANY LEASE CANCELLATION, THE DEPARTMENT  
22 SHALL SUBMIT TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES  
23 WITH JURISDICTION OVER THE DEPARTMENT'S BUDGET A REPORT ON THE  
24 TOTAL COSTS OF BOTH THE OFFICE LOCATION FOR WHICH A LEASE IS BEING  
25 CANCELED AND ANY OFFICE LOCATION OR LOCATIONS TO WHICH AFFECTED  
26 STAFF WILL BE RELOCATED FOLLOWING THE LEASE CANCELLATION.