

**THE MANAGEMENT AND BUDGET ACT (EXCERPT)**  
**Act 431 of 1984**

**18.1221 Rentals and leases; approval; notification; easements; determination of market rental values; building occupancy rates.**

Sec. 221. (1) The director may provide for the rental and lease of land and facilities for the use of state agencies in the manner provided by law. The rentals and leases shall not be effective unless approved by the board.

(2) If the director proposes to lease space or a facility for which the annual base cost of the proposed lease is more than \$500,000.00, approval of the joint capital outlay subcommittee is required prior to board approval.

(3) The department shall provide notification to the JCOS and to the fiscal agencies within 5 business days of rental agreements entered into in which the base cost is more than \$500,000.00.

(4) For the purposes of this section, the renewal of an existing lease will require the approval of the joint capital outlay subcommittee if the renewal results in changes to the lease that would cause it to meet the requirements outlined in subsection (2).

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

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

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

**History:** 1984, Act 431, Eff. Mar. 29, 1985;—Am. 1987, Act 122, Eff. July 23, 1987;—Am. 1988, Act 306, Eff. Sept. 1, 1988;—Am. 1988, Act 504, Imd. Eff. Dec. 29, 1988;—Am. 1999, Act 8, Imd. Eff. Mar. 22, 1999;—Am. 2012, Act 430, Imd. Eff. Dec. 21, 2012.

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