

SENATE BILL No. 1238

March 26, 2008, Introduced by Senators BROWN, JELINEK, PAPPAGEORGE, STAMAS, GARCIA, BIRKHOLZ, CASSIS, RICHARDVILLE, GILBERT, SANBORN and GEORGE 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

1 is entered into.

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

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

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

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

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

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

27 (6) The department shall determine annually the prevailing

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

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

13 (8) BEGINNING JULY 1, 2008, IF THE DIRECTOR PROPOSES TO LEASE
14 OR RENT SPACE IN WHICH THE BASE COST IS MORE THAN \$1,000,000.00 OR
15 TO EXERCISE AN OPTION TO PURCHASE A FACILITY, THEN THE DIRECTOR
16 SHALL SUBMIT THE QUESTION OF APPROVAL OF THE LEASE, RENTAL, OR
17 EXERCISE OF THE OPTION TO PURCHASE TO THE LEGISLATURE. THE DIRECTOR
18 SHALL PROCEED WITH THE LEASE, RENTAL, OR OPTION TO PURCHASE ONLY IF
19 THE LEGISLATURE APPROVES BY A CONCURRENT RESOLUTION ADOPTED BY A
20 MAJORITY VOTE OF THOSE ELECTED TO AND SERVING IN EACH HOUSE OF THE
21 LEGISLATURE ON A RECORD ROLL CALL VOTE.