



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2017 Wisconsin Act 132
[2017 Assembly Bill 205]

**Requirements for Certain State
Leases**

Under Wisconsin law, the Department of Administration (DOA) is responsible for the leasing of real property by the state, subject to approval by the Governor.

2017 Wisconsin Act 132 requires DOA to do both of the following before entering into, renewing, or extending a lease:

- Conduct a cost-benefit analysis comparing the lease with purchasing the space or another suitable space.
- Evaluate comparable lease options within a 10-mile radius of the property proposed in the lease, or, if there are not sufficient comparable properties within a 10-mile radius to perform a meaningful comparison, a wider radius as needed, to ensure the lease rate per square foot does not exceed the lease rate per square foot on comparable properties or the market rate by more than 5%.

The Act also creates special requirements for leases involving an annual rent of more than \$500,000. For those leases, the Act requires the DOA Secretary to sign the lease and provides a process for passive review of the lease by the Joint Committee on Finance before the lease may be entered into, extended, or renewed. To facilitate committee review, the Act requires DOA to provide the Joint Committee on Finance with the information enumerated above and a summary report of that information, including the terms of the lease and the lease rate per square foot of the proposed property and comparable options.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.