



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2017 Senate Bill 145

Senate Amendment 1

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2017 SENATE BILL 145

Under **current law**, the Department of Administration (DOA) generally has the responsibility, subject to the approval of the Governor, for all functions relating to the leasing, acquisition, allocation, and utilization of all real property by the state. **2017 Senate Bill 145** (the bill) requires DOA to do both of the following before entering into, extending, or renewing any lease: (1) a cost-benefit analysis comparing the lease with purchasing space or another suitable space; and (2) an evaluation of **comparable lease options within a 10-mile radius of the property proposed in the lease** to ensure that 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 five percent.

Also under the bill, if a lease involves an annual rent of more than \$500,000, DOA is prohibited from entering into, extending, or renewing the lease unless all of the following occur:

- The DOA secretary signs the lease.
- DOA electronically submits a copy of the proposed lease to the Assembly chief clerk and Senate chief clerk for distribution.
- DOA notifies the Joint Committee on Finance (JFC) of the proposed lease and provides JFC with all of the following: (1) a cost-benefit analysis comparing the lease with purchasing space or another suitable space; and (2) an evaluation of **comparable lease options within a 10-mile radius of the property proposed in the lease** to ensure that 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 five percent.
- JFC reviews the lease under a 14-day passive review process. Under the bill, the DOA secretary may enter into, extend, or renew the lease if the JFC cochairpersons do not

notify the secretary that JFC has scheduled a meeting for the purpose of reviewing the proposed lease within 14 working days after the notification described above. However, if within 14 working days after the notification, the JFC cochairpersons notify the DOA secretary that JFC has scheduled a meeting for the purpose of reviewing the proposed lease, the lease may only be entered into, extended, or renewed upon approval of JFC.

SENATE AMENDMENT 1

Senate Amendment 1 amends the evaluation of comparable lease options that DOA must conduct such that, if there are **not sufficient comparable properties within a 10-mile radius**, DOA must conduct a meaningful comparison with a wider radius as needed.

BILL HISTORY

On May 18, 2017, Senator Kapenga introduced Senate Amendment 1. On June 6, 2017, the Senate Committee on Government Operations, Technology, and Consumer Protection voted to recommend adoption of Senate Amendment 1 by a vote of Ayes, 5; Noes, 0; and subsequently voted to recommend passage of the bill, as amended, by a vote of Ayes, 5; Noes, 0.

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