



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-0689/P2
CMH:kjf

DOA:.....Bork, BB0060 - Lease Administration Efficiencies

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

1. Lease administration efficiencies

Under current law, DOA has the general responsibility for leasing real property by the state. Under current law, DOA, when entering into or renewing such a lease, must conduct a cost-benefit analysis comparing the proposed lease to the purchase of the space or another suitable space and must evaluate comparable lease options within a ten-mile radius to ensure that the proposed lease rates do not exceed lease rates on comparable properties or the market rate by more than 5 percent. This bill modifies those requirements so they apply only if DOA is entering into a new lease and exempts various leases from those requirements including leases costing under \$25,000 annually and leases for student housing; public defender office space; towers, hangars, and easements; DWD job centers; DMA recruiting offices; and facilities with a location required by law or designated by necessity or practical purposes.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 16.84 (5) (a) of the statutes is amended to read:

16.84 (5) (a) Have responsibility, subject to approval of the governor, for all functions relating to the leasing, acquisition, allocation, and utilization of all real property by the state, except where such responsibility is otherwise provided by the statutes. In exercising this responsibility, the department may not enter into, extend, or renew a lease involving an annual rent of more than \$500,000 unless the secretary signs the lease, a copy of the proposed lease is submitted electronically to the chief clerk of each house for distribution, and the department notifies the joint committee on finance of the proposed lease and provides the committee with the any required information under par. (b) as well as a summary report of that information, including the terms of the lease and the lease rate per square foot of the proposed property and the comparable options. If the cochairpersons of the joint committee on finance do not notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the proposed lease within 14 working days after the date of the notification, the lease may be entered into, extended, or renewed. If, within 14 working days after the date of the notification, the cochairpersons of the committee notify the secretary that the committee has scheduled a meeting for the purpose of reviewing the proposed lease, the lease may be entered into, extended, or renewed only upon approval of the committee.

SECTION 2. 16.84 (5) (b) (intro.) of the statutes is amended to read:

16.84 (5) (b) (intro.) Before entering into, ~~extending, or renewing~~ a new lease, except for a lease with an annual cost that is less than \$25,000 or except for a lease for a tower, a department of workforce development job center, a hangar, an easement, student housing, state public defender office space, a department of

military affairs recruiting office, or a facility with a location required by law or designated for necessity or practical purposes, do all of the following:

SECTION 3. 16.84 (5) (b) 2. of the statutes is amended to read:

16.84 **(5)** (b) 2. 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 percent.

(END)