



2017 ASSEMBLY BILL 205

April 5, 2017 - Introduced by Representatives HUTTON, SANFELIPPO, BRANDTJEN, DUCHOW, GANNON, HORLACHER, JARCHOW, KATSMA, KREMER, KULP, MURPHY, PETERSEN, QUINN, THIESFELDT, TITTL and TUSLER, cosponsored by Senators KAPENGA, COWLES, CRAIG, DARLING, FEYEN, NASS and STROEBEL. Referred to Committee on State Affairs.

1 **AN ACT** *to renumber and amend* 16.84 (5); and *to create* 16.84 (5) (b) of the
2 statutes; **relating to:** state leases for real property.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Administration has the general responsibility for leasing real property by the state. Under this bill, DOA, when entering into or renewing 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 10-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. In addition, under the bill, if a proposed lease involves an annual rent of more than \$500,000, it must be signed by the secretary of administration and DOA must submit the proposed lease, as well as the cost-benefit analysis and evaluation of comparable lease rates, to the Joint Committee on Finance for a 14-day passive review.

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:

3 **SECTION 1.** 16.84 (5) of the statutes is renumbered 16.84 (5) (a) and amended
4 to read:

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1 16.84 (5) (a) Have responsibility, subject to approval of the governor, for all
2 functions relating to the leasing, acquisition, allocation, and utilization of all real
3 property by the state, except where such responsibility is otherwise provided by the
4 statutes. In exercising this connection responsibility, the department shall may not
5 enter into, extend, or renew a lease involving an annual rent of more than \$500,000
6 unless the secretary signs the lease, a copy of the proposed lease is submitted
7 electronically to the chief clerk of each house for distribution, and the department
8 notifies the joint committee on finance of the proposed lease and provides the
9 committee with the information under par. (b) as well as a summary report of that
10 information, including the terms of the lease and the lease rate per square foot of the
11 proposed property and the comparable options. If the cochairpersons of the joint
12 committee on finance do not notify the secretary that the committee has scheduled
13 a meeting for the purpose of reviewing the proposed lease within 14 working days
14 after the date of the notification, the lease may be entered into, extended, or renewed.
15 If, within 14 working days after the date of the notification, the cochairpersons of the
16 committee notify the secretary that the committee has scheduled a meeting for the
17 purpose of reviewing the proposed lease, the lease may be entered into, extended, or
18 renewed only upon approval of the committee.

19 (c) When exercising the responsibility under par. (a), with the governor's
20 approval, require physical consolidation of office space utilized by any executive
21 branch agency, as defined in s. 16.70 (4), having fewer than 50 authorized full-time
22 equivalent positions with office space utilized by another executive branch agency,
23 whenever feasible. The department shall lease

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1 (d) Lease or acquire office space for legislative offices or legislative service
 2 agencies at the direction of the joint committee on legislative organization. ~~In this~~
 3 subsection, “~~executive branch agency~~” has the meaning given in s. 16.70 (4).

4 **SECTION 2.** 16.84 (5) (b) of the statutes is created to read:

5 16.84 (5) (b) Before entering into, extending, or renewing a lease, do all of the
 6 following:

7 1. Conduct a cost-benefit analysis comparing the lease with purchasing the
 8 space or another suitable space.

9 2. Evaluate comparable lease options within a 10-mile radius of the property
 10 proposed in the lease to ensure the lease rate per square foot does not exceed the lease
 11 rate per square foot on comparable properties or the market rate by more than 5
 12 percent.

13 **SECTION 3. Initial applicability.**

14 (1) This act first applies to leases entered into, renewed, or extended on the
 15 effective date of this subsection.

16 **(END)**