



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-2231/2
JTK:nwn:rs

2011 SENATE BILL 188

September 15, 2011 - Introduced by Senator HARSDORF, cosponsored by Representative MURTHA. Referred to Joint Committee on Finance.

- 1 **AN ACT relating to:** expenditure of \$129,693.02 from the general fund in
2 payment of a claim against the state made by Workforce Resource, Inc.

Analysis by the Legislative Reference Bureau

This bill directs expenditure of \$129,693.02 from the general fund in payment of a claim against the Department of Workforce Development (DWD) and the Department of Administration (DOA) by Workforce Resource, Inc. The claimant asserts that, at the behest of DWD, it executed a master lease agreement with a third party for a facility in the city of River Falls to be occupied by DWD in 2006 and made modifications to the facility to meet DWD's specifications. DWD then occupied the modified space in the facility for use as a state job center. The claimant attempted to negotiate and execute a written sublease with DWD for the occupied space but was unsuccessful. DWD made rental payments to the claimant on a month-to-month basis during its occupancy and then vacated the premises in June 2008. The claimant asserts that there was an unsigned lease agreement between the claimant and the state, as represented by DWD and DOA. Although certain formal requisites are necessary under Wisconsin law for a lease agreement to be enforceable, s. 706.04, stats., provides that if all of the elements of a transaction are clearly and satisfactorily proved, the transaction may be enforceable under certain conditions by a court using its equitable powers. DWD and DOA assert that since under state law DWD has no authority to lease property without the approval of DOA, any implicit agreement by DWD is not enforceable against the state. They also assert that there was a disagreement between the claimant and the state over the rental amount and the claimant's acceptance of a reduced amount on a month-to-month basis

