

Unofficial Draft Copy

As of: November 13, 2008 (1:03pm)

LC0144

**** Bill No. ****

Introduced By *****

By Request of the Legislative Finance Committee

A Bill for an Act entitled: "An Act revising laws relating to the procurement of state office space; setting size and term limits requiring legislative approval for building leases entered into by the state; requiring the consolidation of the Helena offices of state agencies under certain circumstances; providing for reports on space allocation; establishing a notification mechanism relative to the state long-range building program; and amending Section 2-17-101."

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 2-17-101, MCA, is amended to read:

"2-17-101. Allocation of space. (1) The department of administration shall determine the space required by state agencies other than the university system and shall allocate space in buildings owned or leased by the state, based on each agency's need. To efficiently and effectively allocate space, the department ~~periodically~~ shall identify the amount, location, and nature of space used by each agency and report this to the office of budget and program planning and to the legislative fiscal analyst biennially by September 1 of each even-numbered year.

(2) An agency requiring additional space shall notify the department. The department, in consultation with the agency,

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shall determine the amount and nature of the space needed and locate space within a building owned or leased by the state to meet the agency's requirements. If space is not available in a building owned or leased by the state, the department shall locate space to be leased in an appropriate existing building or a build-to-lease, or recommend alternatives to leasing, such as remodeling or exchanging space with another agency. A state agency may not lease, rent, or purchase real property ~~for quarters~~ without prior approval of the department.

(3) (a) The location of the chambers for the house of representatives must be determined in the sole discretion of the house of representatives. The location of the chambers for ~~of~~ the senate must be determined in the sole discretion of the senate.

(b) Subject to 2-17-108, the department, with the advice of the legislative council, shall allocate other space for the use of the legislature, including but not limited to space for committee rooms and legislative offices.

(4) ~~For state agencies located in a city other than Helena,~~ The department shall consolidate the offices of ~~these~~ state agencies in a single, central location within the city whenever the consolidation would result in a cost savings to the state while permitting sufficient space and facilities for the agencies. The department may purchase, lease, or acquire, by exchange or otherwise, land and buildings in the city to achieve consolidation. Offices of the law enforcement services division and motor vehicle division of the department of justice are exempted from consolidation.

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(5) (a) Any lease for more than 40,000 square feet or for a term of more than 20 years must be submitted as part of the long range building program and approved by the legislature before the department of administration may proceed with the lease. Multiple leases in the same building entered into within any 60 day period are to be aggregated for purposes of this threshold calculation. When immediate relocation of agency employees is required due to a public exigency, the requirements of this subsection do not apply.

(b) "Public exigency" means that due to unforeseen circumstances a facility occupied by state personnel is uninhabitable due to immediate conditions that adversely impact the health or safety of the occupants of the facility but must be reported as required by subsection 1.

(6) The department must include language in every lease such that if funds are not appropriated or otherwise made available to support continued performance of the lease in subsequent fiscal periods, the lease must be cancelled."

{*Internal References to 2-17-101:*
2-17-108 x 5-2-503 x}

NEW SECTION. **Section 2. Notification of non-inclusion of least cost alternative in either the cash or bonding long-range building bill. Analytical factors utilized.** If the space needs analysis provided for in section 2-17-101 concludes that the construction or the purchase for state ownership of a particular facility is more cost-effective than leasing but such an option

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is not included in the introduced version of either the cash or the bonding long-range building bill, such fact must be noted in a biennial report submitted to the legislature by the department pursuant to 2-17-101(1). The cost comparison between construction or purchase for state ownership and leasing should factor in a 40 year building life and should form a balanced analysis of the tax implications for the state of construction or purchase as opposed to building lease.

NEW SECTION. **Section 3. {standard} Codification**

instruction. [Section 2] is intended to be codified as an integral part of Title 17, chapter 7, part 2, and the provisions of Title 17, chapter 7, part 2, apply to [section 2].

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