SENATE BILL NO. 2290

AN ACT TO AUTHORIZE THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO ACQUIRE BY PURCHASE OR LEASE-PURCHASE, OR BOTH, LAND AND BUILDINGS FOR THE PURPOSE OF CONSOLIDATING STATE AGENCIES INTO BUILDINGS AT A COMMON LOCATION IF SUCH ACTION WILL BE ECONOMICALLY ADVANTAGEOUS TO THE STATE AND WILL NOT IMPAIR OR IMPED THE FUNCTION OF AN AGENCY IN SUCH A LOCATION; TO AMEND SECTION 27-104-107, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. (1) The Department of Finance and Administration may enter into purchase contracts or lease-purchase agreements, or both, for the acquisition of land and buildings for the purpose of consolidating state agencies into buildings at a common location. Before entering into any purchase contract or lease-purchase agreement, the department must determine that the purchase contract or lease-purchase agreement will be economically advantageous to the State of Mississippi and that any consolidation of agencies at a common location will not impair or impede the function of an agency in such location. The Department of Finance and Administration may not establish more than one (1) such common location in any one (1) of the districts from which transportation commissioners are elected. The Department of Finance and Administration shall not pay an amount more than seventy percent (70%) of the fair market value of the property to be acquired in any such district. The fair market value shall be determined by taking the average of three (3) appraisals, one (1) to be performed by the Department of Finance and Administration, one (1) to be performed by the State Auditor and one (1) to be performed by an appraiser selected by the Department of Finance and Administration.
SECTION 2. Section 27-104-107, Mississippi Code of 1972, is amended as follows:

27-104-107. (1) As used in this section, the following words shall have the meanings ascribed herein unless the context clearly requires otherwise:

(a) "Department" means the Department of Finance and Administration.

(b) "Commission" means the State Bond Commission.

(c) "Director" means the Executive Director of the Department of Finance and Administration.

(d) "Committee" means the Joint Legislative Budget Committee.

(e) "Office" means the Office of General Services of the Department of Finance and Administration.

(2) In addition to any other authority conferred upon it, and subject to the approval of its proposal by the commission, the department may enter into purchase contracts, lease-purchase agreements, rental agreements or other similar contracts for the ultimate acquisition of real property by the state. Before entering into any purchase contract or lease-purchase agreement, the office must first demonstrate to the Public Procurement Review Board satisfactory evidence that the contract would be economically advantageous to the state and that any consolidation of agencies into buildings at a common location would not impair or impede the function of that agency in this location. The contracts shall be approved by the Public Procurement Review Board and the State Bond Commission.

(3) Acquisitions shall be made only with legislative approval and be in accordance with a long-range development plan which the department shall annually prepare and present to the Legislature as a part of the Governor's capital budget recommendation; however, if in the opinion of the Department of Finance and Administration circumstances involving a proposed
acquisition are such that waiting for legislative approval will not be economically advantageous to the state or may cause the state financial loss, then such acquisition may be made upon approval by the State Bond Commission after consultation with the Chairman of the Public Property Committee of the Senate and the Chairman of the Public Buildings, Grounds and Lands Committee of the House of Representatives. Acquisition of lands and buildings shall be based upon appraisals approved by the Department of Finance and Administration. The office shall not pay an amount in excess of the appraised value of the land and buildings to be acquired. The amount paid on purchases or lease-purchases made under Section 1 of Senate Bill No. 2290, 2003 Regular Session, will be subject to the limitations of such section. Except as otherwise provided in Section 1 of Senate Bill No. 2290, 2003 Regular Session, the appraised value shall be determined by taking the average of two (2) appraisals performed by two (2) appraisers, one (1) to be selected by the Department of Finance and Administration and one (1) to be selected by the Department of Audit. Further, the office shall file quarterly reports describing this process and its progress with the Chairman of the Senate Public Property Committee and the Chairman of the House Public Buildings, Grounds and Lands Committee.

(4) With the exception of the Public Employees' Retirement System, whenever any contract or agreement entered into is for and on behalf of the State of Mississippi, title to property, when acquired, shall vest in the State of Mississippi and not in the name of any state agency. Any building subject to a lease purchase agreement with the state shall be considered a state-owned building and therefore exempt from the assessment and levy of ad valorem taxes.

(5) All contracts executed under this section shall include provisions whereby the obligation of the state for any payment in excess of reasonable rental of the property while actually
occupying the property is dependent upon the availability of appropriated funds for the purchase of the property.

(6) Activity under this section shall be reported annually in a detailed resolution from the commission to the committee.

(7) All funds allocated to rents and chargeable by the department shall be paid into a special fund hereby created in the State Treasury. Unexpended amounts remaining in the special fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned on amounts in the special fund shall be deposited to the credit of the special fund. This fund shall be used by the department (a) to retire indebtedness incurred in the acquisition of properties under this section; (b) to renovate, maintain and otherwise protect subject properties; (c) to pay the cost of utilities necessary to operate the buildings; and (d) to acquire properties in accordance with this section.

SECTION 3. This act shall take effect and be in force from and after July 1, 2003.