

By: Senator(s) Jackson (32nd)

To: Public Property; Finance

SENATE BILL NO. 2610

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

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

10 **SECTION 1.** (1) The Department of Finance and Administration
 11 may enter into purchase contracts or lease-purchase agreements, or
 12 both, for the acquisition of land and buildings for the purpose of
 13 consolidating state agencies into buildings at a common location.
 14 Before entering into any purchase contract or lease-purchase
 15 agreement, the department must determine that the purchase
 16 contract or lease-purchase agreement will be economically
 17 advantageous to the State of Mississippi and that any
 18 consolidation of agencies at a common location will not impair or
 19 impede the function of an agency in such location. The Department
 20 of Finance and Administration may not establish more than one (1)
 21 such common location in any one (1) of the districts from which
 22 transportation commissioners are elected. The Department of
 23 Finance and Administration shall not pay an amount more than
 24 seventy percent (70%) of the fair market value of the property to
 25 be acquired in any such district. The fair market value shall be
 26 determined by taking the average of three (3) appraisals, one (1)
 27 to be performed by the Department of Finance and Administration,
 28 one (1) to be performed by the State Auditor and one (1) to be
 29 performed by an appraiser selected by the Department of Finance
 30 and Administration.

31 **SECTION 2.** Section 27-104-107, Mississippi Code of 1972, is
32 amended as follows:

33 27-104-107. (1) As used in this section, the following
34 words shall have the meanings ascribed herein unless the context
35 clearly requires otherwise:

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

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

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

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

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

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

58 (3) Acquisitions shall be made only with legislative
59 approval and be in accordance with a long-range development plan
60 which the department shall annually prepare and present to the
61 Legislature as a part of the Governor's capital budget
62 recommendation; however, if in the opinion of the Department of
63 Finance and Administration circumstances involving a proposed

64 acquisition are such that waiting for legislative approval will
65 not be economically advantageous to the state or may cause the
66 state financial loss, then such acquisition may be made upon
67 approval by the State Bond Commission after consultation with the
68 Chairman of the Public Property Committee of the Senate and the
69 Chairman of the Public Buildings, Grounds and Lands Committee of
70 the House of Representatives. Acquisition of lands and buildings
71 shall be based upon appraisals approved by the Department of
72 Finance and Administration. The office shall not pay an amount in
73 excess of the appraised value of the land and buildings to be
74 acquired. The amount paid on purchases or lease-purchases made
75 under Section 1 of Senate Bill No. 2610, 2005 Regular Session,
76 will be subject to the limitations of such section. Except as
77 otherwise provided in Section 1 of Senate Bill No. 2610, 2005
78 Regular Session, the appraised value shall be determined by taking
79 the average of two (2) appraisals performed by two (2) appraisers,
80 one (1) to be selected by the Department of Finance and
81 Administration and one (1) to be selected by the Department of
82 Audit. Further, the office shall file quarterly reports
83 describing this process and its progress with the Chairman of the
84 Senate Public Property Committee and the Chairman of the House
85 Public Buildings, Grounds and Lands Committee.

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

94 (5) All contracts executed under this section shall include
95 provisions whereby the obligation of the state for any payment in
96 excess of reasonable rental of the property while actually

97 occupying the property is dependent upon the availability of
98 appropriated funds for the purchase of the property.

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

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

112 **SECTION 3.** This act shall take effect and be in force from
113 and after July 1, 2005.