

By: Senator(s) Jackson (32nd)

To: Public Property;  
Appropriations

SENATE BILL NO. 2576

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.** The Department of Finance and Administration may  
11 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 capitol 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. 2576, 2007 Regular Session,  
76 will be subject to the limitations of such section. Except as  
77 otherwise provided in Section 1 of Senate Bill No. 2576, 2007  
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, 2007.