

By: Representative Weathersby

To: Public Property;  
Appropriations

HOUSE BILL NO. 1081

1 AN ACT TO AMEND SECTION 31-11-3, MISSISSIPPI CODE OF 1972, TO  
 2 ASSIGN ADDITIONAL POWERS AND DUTIES TO THE DEPARTMENT OF FINANCE  
 3 AND ADMINISTRATION RELATING TO STATE AGENCY LEASES, PARKING SPACES  
 4 AND EASEMENT ACQUISITIONS; TO AMEND SECTION 27-104-7, MISSISSIPPI  
 5 CODE OF 1972, TO ASSIGN ADDITIONAL POWERS TO THE PUBLIC  
 6 PROCUREMENT REVIEW BOARD RELATING TO THE APPROVAL OF STATE AGENCY  
 7 LEASES; TO AMEND SECTION 29-5-2, MISSISSIPPI CODE OF 1972, TO  
 8 REVISE THE DUTIES OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION  
 9 RELATING TO STATE AGENCY PARKING; TO AMEND SECTIONS 7-9-151 AND  
 10 7-9-153, MISSISSIPPI CODE OF 1972, TO INCREASE FROM \$200,000.00 TO  
 11 \$250,000.00 THE AMOUNT OF FUNDS IN THE CAPITAL IMPROVEMENT  
 12 PREPLANNING FUND WHICH MAY BE EXPENDED; TO AMEND SECTION 31-11-27,  
 13 MISSISSIPPI CODE OF 1972, TO INCREASE FROM ONE MILLION TO FIVE  
 14 MILLION DOLLARS THE DOLLAR AMOUNT COST OF A PROJECT THAT NEED NOT  
 15 BE INCLUDED IN THE ANNUAL REPORT SUBMITTED BY THE DEPARTMENT OF  
 16 FINANCE AND ADMINISTRATION; TO AMEND SECTION 31-11-30, MISSISSIPPI  
 17 CODE OF 1972, TO INCREASE FROM ONE MILLION TO FIVE MILLION DOLLARS  
 18 THE DOLLAR AMOUNT OF PROJECTS THAT SHALL NOT BE REQUIRED TO BE  
 19 PREPLANNED; TO AMEND SECTION 27-104-107, MISSISSIPPI CODE OF 1972,  
 20 IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

22 **SECTION 1.** Section 31-11-3, Mississippi Code of 1972, is  
 23 amended as follows:

24 31-11-3. (1) The Department of Finance and Administration,  
 25 for the purposes of carrying out the provisions of this chapter,  
 26 in addition to all other rights and powers granted by law, shall  
 27 have full power and authority to escalate, and compensate  
 28 architects or other employees necessary for the purpose of making  
 29 inspections, preparing plans and specifications, supervising the  
 30 erection of any buildings, and making any repairs or additions as  
 31 may be determined by the Department of Finance and Administration  
 32 to be necessary, pursuant to the rules and regulations of the  
 33 State Personnel Board. The department shall have entire control  
 34 and supervision of, and determine what, if any, buildings,  
 35 additions, repairs, demolitions or improvements are to be made

36 under the provisions of this chapter, subject to the regulations  
37 adopted by the Public Procurement Review Board.

38 (2) The department shall have full power to erect buildings,  
39 make repairs, additions, demolitions or improvements, and buy  
40 materials, supplies and equipment for any of the institutions or  
41 departments of the state subject to the regulations adopted by the  
42 Public Procurement Review Board. In addition to other powers  
43 conferred, the department shall have full power and authority as  
44 directed by the Legislature, or when funds have been appropriated  
45 for its use for these purposes, to:

46 (a) Build a state office building;

47 (b) Build suitable plants or buildings for the use and  
48 housing of any state schools or institutions, including the  
49 building of plants or buildings for new state schools or  
50 institutions, as provided for by the Legislature;

51 (c) Provide state aid for the construction of school  
52 buildings;

53 (d) Promote and develop the training of returned  
54 veterans of the United States in all sorts of educational and  
55 vocational learning to be supplied by the proper educational  
56 institution of the State of Mississippi, and in so doing allocate  
57 monies appropriated to it for these purposes to the Governor for  
58 use by him in setting up, maintaining and operating an office and  
59 employing a state director of on-the-job training for veterans and  
60 the personnel necessary in carrying out Public Law No. 346 of the  
61 United States;

62 (e) Build and equip a hospital and administration  
63 building at the Mississippi State Penitentiary;

64 (f) Build and equip additional buildings and wards at  
65 the Boswell Retardation Center;

66 (g) Construct a sewage disposal and treatment plant at  
67 the state insane hospital, and in so doing acquire additional land

68 as may be necessary, and to exercise the right of eminent domain  
69 in the acquisition of this land;

70 (h) Build and equip the Mississippi central market and  
71 purchase or acquire by eminent domain, if necessary, any lands  
72 needed for this purpose;

73 (i) Build and equip suitable facilities for a training  
74 and employing center for the blind;

75 (j) Build and equip a gymnasium at Columbia Training  
76 School;

77 (k) Approve or disapprove the expenditure of any money  
78 appropriated by the Legislature when authorized by the bill making  
79 the appropriation;

80 (l) Expend monies appropriated to it in paying the  
81 state's part of the cost of any street paving;

82 (m) Sell and convey state lands when authorized by the  
83 Legislature, cause said lands to be properly surveyed and platted,  
84 execute all deeds or other legal instruments, and do any and all  
85 other things required to effectively carry out the purpose and  
86 intent of the Legislature. Any transaction which involves state  
87 lands under the provisions of this paragraph shall be done in a  
88 manner consistent with the provisions of Section 29-1-1;

89 (n) Collect and receive from educational institutions  
90 of the State of Mississippi monies required to be paid by these  
91 institutions to the state in carrying out any veterans'  
92 educational programs;

93 (o) Purchase lands for building sites, or as additions  
94 to building sites, for the erection of buildings and other  
95 facilities which the department is authorized to erect, and  
96 demolish and dispose of old buildings, when necessary for the  
97 proper construction of new buildings. Any transaction which  
98 involves state lands under the provisions of this paragraph shall  
99 be done in a manner consistent with the provisions of Section

100 29-1-1; \* \* \*

101 (p) Obtain business property insurance with a  
102 deductible of not less than One Hundred Thousand Dollars  
103 (\$100,000.00) on state-owned buildings under the management and  
104 control of the department;

105 (q) Take the following actions, with approval of the  
106 Chairmen of the Public Property Committees of the Senate and the  
107 House of Representatives in the event that waiting for legislative  
108 direction and/or appropriation required under this subsection (2)  
109 will not be economically advantageous to the state:

110 (i) With approval of the Public Procurement Review  
111 Board, enter into, sign, execute and deliver long-term or  
112 multiyear leases of real and personal property to and from other  
113 state and federal agencies and any governmental entity;

114 (ii) Enter into contracts for the purpose of  
115 providing parking spaces for state employees;

116 (iii) Grant easements and rights-of-way; and

117 (iv) Acquire easements and rights-of-way.

118 (3) The department shall survey state-owned and  
119 state-utilized buildings to establish an estimate of the costs of  
120 architectural alterations, pursuant to the Americans With  
121 Disabilities Act of 1990, 42 USCS, Section 12111 et seq. The  
122 department shall establish priorities for making the identified  
123 architectural alterations and shall make known to the Legislative  
124 Budget Office and to the Legislature the required cost to  
125 effectuate such alterations. To meet the requirements of this  
126 section, the department shall use standards of accessibility that  
127 are at least as stringent as any applicable federal requirements  
128 and may consider:

129 (a) Federal minimum guidelines and requirements issued  
130 by the United States Architectural and Transportation Barriers  
131 Compliance Board and standards issued by other federal agencies;

132 (b) The criteria contained in the American Standard  
133 Specifications for Making Buildings Accessible and Usable by the

134 Physically Handicapped and any amendments thereto as approved by  
135 the American Standards Association, Incorporated (ANSI Standards);

136 (c) Design manuals;

137 (d) Applicable federal guidelines;

138 (e) Current literature in the field;

139 (f) Applicable safety standards; and

140 (g) Any applicable environmental impact statements.

141 (4) The department shall observe the provisions of Section  
142 31-5-23, in letting contracts and shall use Mississippi products,  
143 including paint, varnish and lacquer which contain as vehicles  
144 tung oil and either ester gum or modified resin (with rosin as the  
145 principal base of constituents), and turpentine shall be used as a  
146 solvent or thinner, where these products are available at a cost  
147 not to exceed the cost of products grown, produced, prepared, made  
148 or manufactured outside of the State of Mississippi.

149 (5) The department shall have authority to accept grants,  
150 loans or donations from the United States government or from any  
151 other sources for the purpose of matching funds in carrying out  
152 the provisions of this chapter.

153 (6) The department shall build a wheelchair ramp at the War  
154 Memorial Building which complies with all applicable federal laws,  
155 regulations and specifications regarding wheelchair ramps.

156 (7) The department shall review and preapprove all  
157 architectural or engineering service contracts entered into by any  
158 state agency, institution, commission, board or authority  
159 regardless of the source of funding used to defray the costs of  
160 the construction or renovation project for which services are to  
161 be obtained. The provisions of this subsection (7) shall not  
162 apply to any architectural or engineering contract paid for by  
163 self-generated funds of any of the state institutions of higher  
164 learning, nor shall they apply to community college projects that  
165 are funded from local funds or other nonstate sources which are  
166 outside the Department of Finance and Administration's

167 appropriations or as directed by the Legislature. The provisions  
168 of this subsection (7) shall not apply to any construction or  
169 design projects of the State Military Department that are funded  
170 from federal funds or other nonstate sources.

171 (8) The department shall have the authority to obtain  
172 annually from the state institutions of higher learning  
173 information on all building, construction and renovation projects  
174 including duties, responsibilities and costs of any architect or  
175 engineer hired by any such institutions.

176 (9) (a) As an alternative to other methods of awarding  
177 contracts as prescribed by law, the department may use the  
178 design-build method or the design-build bridging method of  
179 contracting for new capital construction projects to be used as a  
180 pilot program for the following projects:

181 (i) Projects for the Mississippi Development  
182 Authority pursuant to agreements between both governmental  
183 entities;

184 (ii) Any project with an estimated cost of not  
185 more than Ten Million Dollars (\$10,000,000.00), not to exceed two  
186 (2) projects per fiscal year; and

187 (iii) Any project which has an estimated cost of  
188 more than Fifty Million Dollars (\$50,000,000.00), not to exceed  
189 one (1) project per fiscal year.

190 (b) As used in this subsection:

191 (i) "Design-build method of contracting" means a  
192 contract that combines the design and construction phases of a  
193 project into a single contract and the contractor is required to  
194 satisfactorily perform, at a minimum, both the design and  
195 construction of the project.

196 (ii) "Design-build bridging method of contracting"  
197 means a contract that requires design through the design  
198 development phase by a professional designer, after which a  
199 request for qualifications for design completion and construction

200 is required for the completion of the project from a single  
201 contractor that combines the balance of design and construction  
202 phases of a project into a single contract. The contractor is  
203 required to satisfactorily perform, at a minimum, both the balance  
204 of design and construction of the project.

205 (c) The department shall establish detailed criteria  
206 for the selection of the successful design-build/design-build  
207 bridging contractor in each request for design-build/design-build  
208 bridging proposals. The request for qualifications evaluation of  
209 the selection committee is a public record and shall be maintained  
210 for a minimum of three (3) years after project completion.

211 (d) The department shall maintain detailed records on  
212 projects separate and apart from its regular record keeping. The  
213 department shall file a report to the Legislature evaluating the  
214 design-build/design-build bridging method of contracting by  
215 comparing it to the low-bid method of contracting. At a minimum,  
216 the report must include:

217 (i) The management goals and objectives for the  
218 design-build/design-build bridging system of management;

219 (ii) A complete description of the components of  
220 the design-build/design-build bridging management system,  
221 including a description of the system the department put into  
222 place on all projects managed under the system to insure that it  
223 has the complete information on building segment costs and to  
224 insure proper analysis of any proposal the department receives  
225 from a contractor;

226 (iii) The accountability systems the department  
227 established to monitor any design-build/design-build bridging  
228 project's compliance with specific goals and objectives for the  
229 project;

230 (iv) The outcome of any project or any interim  
231 report on an ongoing project let under a design-build/design-build  
232 bridging management system showing compliance with the goals,

233 objectives, policies and procedures the department set for the  
234 project; and

235                   (v) The method used by the department to select  
236 projects to be let under the design-build/design-build bridging  
237 system of management and all other systems, policies and  
238 procedures that the department considered as necessary components  
239 to a design-build/design-build bridging management system.

240                   (e) All contracts let under the provisions of this  
241 subsection shall be subject to oversight and review by the State  
242 Auditor.

243                   **SECTION 2.** Section 27-104-7, Mississippi Code of 1972, is  
244 amended as follows:

245                   27-104-7. (1) There is hereby created within the Department  
246 of Finance and Administration the Public Procurement Review Board,  
247 which shall be composed of the Executive Director of the  
248 Department of Finance and Administration, the head of the Office  
249 of Budget and Policy Development and an employee of the Office of  
250 General Services who is familiar with the purchasing laws of this  
251 state. The Executive Director of the Department of Finance and  
252 Administration shall be chairman and shall preside over the  
253 meetings of the board. The board shall annually elect a vice  
254 chairman, who shall serve in the absence of the chairman. No  
255 business shall be transacted, including adoption of rules of  
256 procedure, without the presence of a quorum of the board. Two (2)  
257 members shall be a quorum. No action shall be valid unless  
258 approved by the chairman and one (1) other of those members  
259 present and voting, entered upon the minutes of the board and  
260 signed by the chairman. The board shall meet on a monthly basis  
261 and at any other time when notified by the chairman. Necessary  
262 clerical and administrative support for the board shall be  
263 provided by the Department of Finance and Administration. Minutes  
264 shall be kept of the proceedings of each meeting, copies of which



265 shall be filed on a monthly basis with the Legislative Budget  
266 Office.

267 (2) The Public Procurement Review Board shall have the  
268 following powers and responsibilities:

269 (a) Approve all purchasing regulations governing the  
270 purchase or lease by any agency, as defined in Section 31-7-1, of  
271 commodities and equipment, except computer equipment acquired  
272 pursuant to Sections 25-53-1 through 25-53-29;

273 (b) Adopt regulations governing the approval of  
274 contracts let for the construction and maintenance of state  
275 buildings and other state facilities;

276 (c) Adopt regulations governing any lease or rental  
277 agreement by any state agency or department, including any state  
278 agency financed entirely by federal funds, for space outside the  
279 buildings under the jurisdiction of the Department of Finance and  
280 Administration; \* \* \*

281 (d) Adopt, in its discretion, regulations to set aside  
282 at least five percent (5%) of anticipated annual expenditures for  
283 the purchase of commodities from minority businesses; however, all  
284 such set-aside purchases shall comply with all purchasing  
285 regulations promulgated by the department and shall be subject to  
286 all bid requirements. Set-aside purchases for which competitive  
287 bids are required shall be made from the lowest and best minority  
288 business bidder; however, if no minority bid is available or if  
289 the minority bid is more than two percent (2%) higher than the  
290 lowest bid, then bids shall be accepted and awarded to the lowest  
291 and best bidder. Provided, however, that the provisions herein  
292 shall not be construed to prohibit the rejection of a bid when  
293 only one (1) bid is received. Such rejection shall be placed in  
294 the minutes. For the purposes of this paragraph, the term  
295 "minority business" means a business which is owned by a person  
296 who is a citizen or lawful permanent resident of the United States  
297 and who is:

298 (i) Black: having origins in any of the black  
299 racial groups of Africa.

300 (ii) Hispanic: of Mexican, Puerto Rican, Cuban,  
301 Central or South American, or other Spanish or Portuguese culture  
302 or origin regardless of race.

303 (iii) Asian American: having origins in any of  
304 the original peoples of the Far East, Southeast Asia, the Indian  
305 subcontinent, or the Pacific Islands.

306 (iv) American Indian or Alaskan Native: having  
307 origins in any of the original peoples of North America.

308 (v) Female;

309 (e) Authorize state agencies to enter into long-term or  
310 multiyear leases of real property to and from other state and  
311 federal agencies or any other governmental entities;

312 (f) Approve leases entered into by state agencies for  
313 the purpose of providing parking arrangements; and

314 (g) Authorize state agencies to obtain business  
315 personal property insurance on state-owned buildings under the  
316 management and control of the Department of Finance and  
317 Administration.

318 (3) No member of the Public Procurement Review Board shall  
319 use his official authority or influence to coerce, by threat of  
320 discharge from employment, or otherwise, the purchase of  
321 commodities or the contracting for public construction under this  
322 chapter.

323 **SECTION 3.** Section 29-5-2, Mississippi Code of 1972, is  
324 amended as follows:

325 29-5-2. The duties of the Department of Finance and  
326 Administration shall be as follows:

327 (a) (i) To exercise general supervision and care over  
328 and keep in good condition the following state property located in  
329 the City of Jackson: the New State Capitol Building, the Woolfolk  
330 State Office Building, the Carroll Gartin Justice Building, the

331 Walter Sillers Office Building, the War Veterans' Memorial  
332 Building, the Charlotte Capers Building, the William F. Winter  
333 Archives and History Building, the Ike Sanford Veterans Affairs  
334 Building, the Old State Capitol Building, the Governor's Mansion,  
335 the Heber Ladner Building, the Burroughs Building, the Robert E.  
336 Lee Office Building, the Robert E. Lee Parking Garage, the Manship  
337 House Restoration and Visitor Center, the State Records Center,  
338 the Robert G. Clark, Jr., Building, and all other properties  
339 acquired in the same transaction at the time of the purchase of  
340 the Robert E. Lee Hotel property from the First Federal Savings  
341 and Loan Association of Jackson, Mississippi, which properties are  
342 more particularly described in a warranty deed heretofore executed  
343 and delivered on April 22, 1969, and filed for record in the  
344 office of the Chancery Clerk of the First Judicial District of  
345 Hinds County, Mississippi, located in Jackson, Mississippi, on  
346 April 25, 1969, at 9:00 a.m., and recorded in Deed Book No. 1822,  
347 page 136 et seq., and the Central High Building and 101 Capitol  
348 Centre.

349                   (ii) To exercise general supervision and care over  
350 and keep in good condition the Dr. Eldon Langston Bolton Building  
351 located in Biloxi, Mississippi.

352                   (iii) To exercise general supervision and care  
353 over and keep in good condition the State Service Center, located  
354 at the intersection of State Highway 49 and John Merl Tatum  
355 Industrial Drive in Hattiesburg, Mississippi.

356                   (b) To assign suitable office space for the various  
357 state departments, officers and employees who are provided with an  
358 office in any of the buildings under the jurisdiction or control  
359 of the Department of Finance and Administration. However, the  
360 assignment of space in the New Capitol Building shall be  
361 designated by duly passed resolution of the combined Senate Rules  
362 Committee and the House Management Committee, meeting as a joint  
363 committee, approved by the Lieutenant Governor and Speaker of the

364 House of Representatives. A majority vote of the members of the  
365 Senate Rules Committee and a majority vote of the members of the  
366 House Management Committee shall be required on all actions taken,  
367 resolutions or reports adopted, and all other matters considered  
368 by the full combined committee on occasions when the Senate Rules  
369 Committee and the House Management Committee shall meet as a full  
370 combined committee.

371 (c) To approve or disapprove with the concurrence of  
372 the Public Procurement Review Board, any lease or rental  
373 agreements by any state agency or department, including any state  
374 agency financed entirely by federal and special funds, for space  
375 including, but not limited to, parking, outside the buildings  
376 under the jurisdiction of the Department of Finance and  
377 Administration. In no event shall any employee, officer,  
378 department, federally funded agency or bureau of the state be  
379 authorized to enter a lease or rental agreement without prior  
380 approval of the Department of Finance and Administration and the  
381 Public Procurement Review Board.

382 The Department of Finance and Administration is authorized to  
383 use architects, engineers, building inspectors and other personnel  
384 for the purpose of making inspections as may be deemed necessary  
385 in carrying out its duties and maintaining the facilities.

386 (d) To acquire by lease, lease-purchase agreement, or  
387 otherwise, as provided in Section 27-104-107, and to assign  
388 through the Office of General Services, by lease or sublease  
389 agreement from the office, and with the concurrence of the Public  
390 Procurement Review Board, to any state agency or department,  
391 including any state agency financed entirely by federal and  
392 special funds, appropriate office space in the buildings acquired.

393 **SECTION 4.** Section 7-9-151, Mississippi Code of 1972, is  
394 amended as follows:

395 7-9-151. There is hereby established in the State Treasury a  
396 revolving fund to be designated as the "Capital Improvements

397 Preplanning Fund" which shall consist of monies appropriated or  
398 otherwise made available therefor by the Legislature. Such funds  
399 as may be deposited in the revolving fund may be expended by the  
400 Bureau of Building, Grounds and Real Property Management to obtain  
401 preliminary studies and plans for projects authorized by the  
402 Legislature. Funds also may be expended, in an amount not to  
403 exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) for any  
404 project, for the purpose of obtaining preliminary studies and  
405 plans, to include appraisals and the purchase of options on real  
406 property, for projects the bureau may consider proposing to the  
407 Legislature for authorization. The bureau shall consider  
408 architectural and aesthetic compatibility in the preplanning of  
409 any project conducted using money from the Capital Improvements  
410 Preplanning Fund.

411 **SECTION 5.** Section 7-9-153, Mississippi Code of 1972, is  
412 amended as follows:

413 7-9-153. (1) All expenses for preplanning projects  
414 authorized by the Legislature shall be paid upon warrants drawn on  
415 the Capital Improvements Preplanning Fund created pursuant to  
416 Sections 7-9-151 through 7-9-159. The Department of Finance and  
417 Administration shall issue warrants upon requisitions signed by  
418 the Director of the Bureau of Building, Grounds and Real Property  
419 Management. Such requisitions shall set forth the name of the  
420 project and estimated cost of the project, and the total of prior  
421 expenditures for such project. The Department of Finance and  
422 Administration shall not issue a warrant against the Capital  
423 Improvements Preplanning Fund if the total amount expended for  
424 preliminary study and planning on the project exceeds two and  
425 one-half percent (2 1/2%) of the estimated cost of such project or  
426 appraised price of the proposed property.

427 (2) Expenses for preliminary studies and plans, to include  
428 appraisals and the purchase of options on real property, for  
429 projects the bureau may consider proposing to the Legislature for

430 authorization shall be paid upon warrants drawn on the Capital  
431 Improvements Preplanning Fund created pursuant to Sections 7-9-151  
432 through 7-9-159. The Department of Finance and Administration  
433 shall issue warrants upon requisitions signed by the Director of  
434 the Bureau of Building, Grounds and Real Property Management.  
435 Such requisitions shall set forth the name of the project and  
436 estimated cost of the project, and the total of prior expenditures  
437 for such project. The Department of Finance and Administration  
438 shall not issue a warrant against the Capital Improvements  
439 Preplanning Fund for a project if the total amount expended for  
440 preliminary studies and plans, to include appraisals and the  
441 purchase of options on real property, for the project exceeds Two  
442 Hundred Fifty Thousand Dollars (\$250,000.00).

443       **SECTION 6.** Section 31-11-27, Mississippi Code of 1972, is  
444 amended as follows:

445       31-11-27. (1) (a) The Department of Finance and  
446 Administration shall conduct a detailed study of the building and  
447 other capital needs at each state institution and at each junior  
448 college immediately prior to September first in each year. This  
449 study shall include, but shall not be limited to, the following  
450 matters: (i) an inventory of every state building and other  
451 capital facility which is the property of the State of  
452 Mississippi; (ii) the location, date of construction or  
453 acquisition, the purpose for which used, outstanding indebtedness  
454 against such facility, if any, and cost of repairs for the  
455 preceding fiscal year; (iii) an examination of the condition of  
456 the building or other facility; (iv) an estimate of the cost of  
457 repairs required to place the facility in good condition; (v) an  
458 estimate of the cost of major renovations, if contemplated; and  
459 (vi) a determination of the new building and other facility needs  
460 of each institution with such needs classified under immediate or  
461 long-range requirements.

462           (b) All state agencies, departments and institutions  
463 are hereby authorized and directed to cooperate with the  
464 Department of Finance and Administration in carrying out the  
465 provisions of this section.

466           (c) The Department of Finance and Administration shall  
467 submit a detailed report to the Legislative Budget Office on or  
468 before September first of each year. Such report shall be in such  
469 detail and in such form as may be prescribed by the Legislative  
470 Budget Office.

471           (d) The architect or building inspector of the  
472 Department of Finance and Administration shall make a biennial  
473 inspection of the New Capitol, Old Capitol, Woolfolk State Office  
474 Building, War Memorial Building, the Governor's Mansion, and all  
475 other buildings under jurisdiction of the Department of Finance  
476 and Administration for structural or other physical needs or  
477 defects of such buildings, and he shall further inquire of the  
478 department or its representatives regarding the condition of the  
479 buildings. He shall make a written report of his finding to the  
480 Department of Finance and Administration, Governor, Lieutenant  
481 Governor and Speaker of the House of Representatives. The report  
482 shall also make recommendations for repairs and list, by number,  
483 the priority which should be given to making necessary repairs.

484           (2) (a) In addition to any report required in subsection  
485 (1) of this section, the Department of Finance and Administration  
486 shall prepare and submit an annual report to the Legislative  
487 Budget Office, the House Public Buildings, Grounds and Lands  
488 Committee and the Senate Public Property Committee describing the  
489 proposed capital improvements projects for state agencies,  
490 departments and institutions for the upcoming five-year period.  
491 The Department of Finance and Administration shall not be required  
492 to include in the report any project costing less than Five  
493 Million Dollars (\$5,000,000.00). The department shall submit the

494 report before September 1 of each year. The report shall include  
495 at least the following information:

496 (i) A prioritized list of the projects proposed  
497 for the five-year period, with each project ranked on the basis of  
498 need;

499 (ii) A prioritized list of the projects proposed  
500 for the next regular legislative session, with each project ranked  
501 on the basis of need;

502 (iii) A prioritized list of the projects requested  
503 by each state agency, department or institution;

504 (iv) A detailed explanation of criteria used by  
505 the Department of Finance and Administration to rank projects for  
506 purposes of any list it prepares under this paragraph (a);

507 (v) A detailed statement of justification for each  
508 project;

509 (vi) The approximate cost for each project,  
510 including, but not limited to, itemized estimates of costs for  
511 preplanning, constructing, furnishing and equipping a project, and  
512 costs for property acquisition;

513 (vii) The estimated beginning date and completion  
514 date for each project;

515 (viii) Whether a project, as proposed, is a  
516 complete project or a phase or part of a project;

517 (ix) How a project will affect the operating  
518 budget of the applicable agency, department or institution for the  
519 upcoming five-year period, regarding such items as additional  
520 personnel requirements, utility costs, maintenance costs, security  
521 costs, etc.;

522 (x) The proposed method of financing each project  
523 and the effect such financing will have on the state budget,  
524 including an estimate of any required debt service for the  
525 project, and an estimate of any federal funds or other funds that



526 the agency, department or institution may have access to because  
527 of the project; and

528 (xi) A list of the projects requested by each  
529 agency, department or institution for the five-year period, with  
530 each project ranked by the appropriate agency, department or  
531 institution on the basis of need.

532 (b) To enable the Department of Finance and  
533 Administration to prepare the report required in this subsection  
534 (2), it may require all state agencies, departments and  
535 institutions to file a capital improvements projects request with  
536 such information and in such form and in such detail as the  
537 department may deem necessary and advisable. Such request shall  
538 be filed with the Department of Finance and Administration no  
539 later than August 1 of each year.

540 **SECTION 7.** Section 31-11-30, Mississippi Code of 1972, is  
541 amended as follows:

542 31-11-30. (1) Every capital improvements project, costing  
543 Five Million Dollars (\$5,000,000.00) or more, which is developed  
544 to repair, renovate, construct, remodel, add to or improve a  
545 state-owned public building shall be funded by the Legislature in  
546 two (2) phases. The two-phase funding requirement shall not apply  
547 to capital improvements projects for a state-owned port or where  
548 the Legislature finds that an emergency or critical need must be  
549 met or a court order complied with. The two (2) phases shall not  
550 be funded in the same regular session of the Legislature. Each  
551 phase shall be funded in a separate session of the Legislature.  
552 Phase 1 shall be a preplanned capital improvements project budget  
553 projection for the project and shall be funded first. Phase 2  
554 shall be the actual repair, renovation, construction, remodeling,  
555 addition to or improvement of the state-owned public building and  
556 the acquisition of furniture and equipment for the capital  
557 improvements project and shall be funded second.

558 (2) For the purposes of this section, the term "preplanned"  
559 or "preplanning" means the preliminary planning that establishes  
560 the program, scope, design and budget for a capital improvements  
561 project.

562 (3) Every state agency that plans to repair, renovate,  
563 construct, remodel, add to or improve a state-owned public  
564 building shall submit a preplanned capital improvements project  
565 budget projection to the Bureau of Building, Grounds and Real  
566 Property Management for evaluation. The bureau shall assess the  
567 need for all preplanned projects submitted and shall compile a  
568 report on its findings. Any capital improvements project costing  
569 less than Five Million Dollars (\$5,000,000.00) shall not be  
570 required to be preplanned.

571 (4) Upon the completion of any preplanning for a capital  
572 improvements project, if such preplanning is funded with  
573 self-generated funds by a state agency, the plan shall be  
574 submitted to the bureau for evaluation.

575 (5) This section shall not apply to capital improvements  
576 projects authorized by the Legislature before the 2001 Regular  
577 Session of the Legislature.

578 **SECTION 8.** Section 27-104-107, Mississippi Code of 1972, is  
579 amended as follows:

580 27-104-107. (1) As used in this section, the following  
581 words shall have the meanings ascribed herein unless the context  
582 clearly requires otherwise:

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

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

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

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

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

592 (2) In addition to any other authority conferred upon it and  
593 except as otherwise provided in Section 31-11-3, and subject to  
594 the approval of its proposal by the commission, the department may  
595 enter into purchase contracts, lease-purchase agreements, rental  
596 agreements or other similar contracts for the ultimate acquisition  
597 of real property by the state. Before entering into any purchase  
598 contract or lease-purchase agreement, the office must first  
599 demonstrate to the Public Procurement Review Board satisfactory  
600 evidence that the contract would be economically advantageous to  
601 the state and that any consolidation of agencies into buildings at  
602 a common location would not impair or impede the function of that  
603 agency in this location. The contracts shall be approved by the  
604 Public Procurement Review Board and the State Bond Commission.

605 (3) Acquisitions shall be made only with legislative  
606 approval and be in accordance with a long-range development plan  
607 which the department shall annually prepare and present to the  
608 Legislature as a part of the Governor's capitol budget  
609 recommendation; however, if in the opinion of the Department of  
610 Finance and Administration circumstances involving a proposed  
611 acquisition are such that waiting for legislative approval will  
612 not be economically advantageous to the state or may cause the  
613 state financial loss, then such acquisition may be made upon  
614 approval by the State Bond Commission after consultation with the  
615 Chairmen of the Public Property Committees of the Senate and  
616 the \* \* \* House of Representatives. Acquisition of lands and  
617 buildings shall be based upon appraisals approved by the  
618 Department of Finance and Administration. The office shall not  
619 pay an amount in excess of the appraised value of the land and  
620 buildings to be acquired. The appraised value shall be determined  
621 by taking the average of two (2) appraisals performed by two (2)  
622 appraisers, one (1) to be selected by the Department of Finance

623 and Administration and one (1) to be selected by the Department of  
624 Audit. Further, the office shall file quarterly reports  
625 describing this process and its progress with the Chairmen of the  
626 House and Senate Public Property Committees \* \* \*.

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

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

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

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

653 **SECTION 9.** This act shall take effect and be in force from  
654 and after its passage.