

1 HOUSE BILL NO. 232
2 INTRODUCED BY M. HOPKINS

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE DEPARTMENT OF ADMINISTRATION TO
5 ENTER INTO LEASES FOR THE PURPOSE OF CONSOLIDATION AND COST SAVINGS WITHOUT
6 REQUIRING LONG-RANGE BUILDING APPROVAL; AMENDING SECTION 2-17-101, MCA; AND
7 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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

12 **"2-17-101. (Temporary) Allocation of space -- leasing -- definition.** (1) The department of
13 administration shall determine the space required by state agencies other than the university system and shall
14 allocate space in buildings owned or leased by the state, based on each agency's need. To efficiently and
15 effectively allocate space, the department shall identify the amount, location, and nature of space used by each
16 agency, including summary information on average cost per square foot for each municipality, and report this to
17 the office of budget and program planning and to the legislative fiscal analyst by September 1 of each even-
18 numbered year. The report must be provided in an electronic format. The department of administration shall
19 provide a copy of the report to the legislature in accordance with 5-11-210.

20 (2) An agency requiring additional space shall notify the department. The department, in
21 consultation with the agency, shall determine the amount and nature of the space needed and locate space
22 within a building owned or leased by the state, including buildings in Helena and in other areas, to meet the
23 agency's requirements. If space is not available in a building owned or leased by the state, the department shall
24 locate space to be leased in an appropriate existing building or a build-to-lease building, including buildings in
25 Helena and in other areas, or recommend alternatives to leasing, such as remodeling or exchanging space with
26 another agency. A state agency may not lease, rent, or purchase real property without prior approval of the
27 department.

28 (3) (a) The location of the chambers for the house of representatives must be determined in the



1 sole discretion of the house of representatives. The location of the chambers for the senate must be determined
2 in the sole discretion of the senate.

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

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

11 (5) ~~Any~~ Except for any lease entered into by the department for the purposes of subsection (4),
12 any lease for more than 45,000 square feet or for a term of more than 20 years must be submitted as part of
13 the long-range building program and approved by the legislature before the department of administration may
14 proceed with the lease. Multiple leases in the same building entered into within any 60-day period are to be
15 aggregated for purposes of this threshold calculation. When immediate relocation of agency employees is
16 required due to a public exigency, the requirements of this subsection do not apply, but the new lease must be
17 reported as required by subsection (1).

18 (6) The department shall include language in every lease providing that if funds are not
19 appropriated or otherwise made available to support continued performance of the lease in subsequent fiscal
20 periods, the lease must be canceled.

21 (7) "Public exigency" means that due to unforeseen circumstances a facility occupied by state
22 employees is uninhabitable due to immediate conditions that adversely impact the health or safety of the
23 occupants of the facility. (Terminates June 30, 2023--sec. 3, Ch. 401, L. 2019.)

24 **2-17-101. (Effective July 1, 2023) Allocation of space -- leasing -- definition.** (1) The department
25 of administration shall determine the space required by state agencies other than the university system and
26 shall allocate space in buildings owned or leased by the state, based on each agency's need. To efficiently and
27 effectively allocate space, the department shall identify the amount, location, and nature of space used by each
28 agency, including summary information on average cost per square foot for each municipality, and report this to

1 the office of budget and program planning and to the legislative fiscal analyst by September 1 of each even-
2 numbered year. The report must be provided in an electronic format. The department of administration shall
3 provide a copy of the report to the legislature in accordance with 5-11-210.

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5 consultation with the agency, shall determine the amount and nature of the space needed and locate space
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7 agency's requirements. If space is not available in a building owned or leased by the state, the department shall
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10 another agency. A state agency may not lease, rent, or purchase real property without prior approval of the
11 department.

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13 sole discretion of the house of representatives. The location of the chambers for the senate must be determined
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17 offices.

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

23 (5) ~~Any~~ Except for any lease entered into by the department for the purposes of subsection (4),
24 any lease for more than 40,000 square feet or for a term of more than 20 years must be submitted as part of
25 the long-range building program and approved by the legislature before the department of administration may
26 proceed with the lease. Multiple leases in the same building entered into within any 60-day period are to be
27 aggregated for purposes of this threshold calculation. When immediate relocation of agency employees is
28 required due to a public exigency, the requirements of this subsection do not apply, but the new lease must be

1 reported as required by subsection (1).

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3 appropriated or otherwise made available to support continued performance of the lease in subsequent fiscal
4 periods, the lease must be cancelled.

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6 employees is uninhabitable due to immediate conditions that adversely impact the health or safety of the
7 occupants of the facility."

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9 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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