

Senate Bill 37

By: Senators Carter of the 1st, Jackson of the 24th, Staton of the 18th, Rogers of the 21st,
Williams of the 19th and others

AS PASSED SENATE

**A BILL TO BE ENTITLED
AN ACT**

1 To amend Article 2 of Chapter 16 of Title 50 of the Official Code of Georgia Annotated,
2 relating to the "State Properties Code," so as to provide the State Properties Commission the
3 authority to enter into multiyear lease agreements; to provide for the termination of certain
4 rental and lease agreements; to provide for related matters; to provide an effective date; to
5 repeal conflicting laws; and for other purposes.

6 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

7 **SECTION 1.**

8 Article 2 of Chapter 16 of Title 50 of the Official Code of Georgia Annotated, relating to the
9 "State Properties Code," is amended in Code Section 50-16-34, relating to the powers and
10 duties of the State Properties Commission generally, by striking "and" at the end of
11 paragraph (16), by replacing the period with a semicolon at the end of paragraph (17), and
12 by adding a new paragraph to read as follows:

13 "(18) Contract with a licensed real estate broker through a competitive selection process
14 to perform transaction management services on behalf of the commission. For the
15 purposes of this Code section, 'transaction management' is defined as the management of
16 all tasks relative to the acquiring and disposing of real property assets, whether leased,
17 subleased, or owned. The commission may charge and retain a negotiated fee from the
18 broker for the purpose of financing the operations of the commission, including, but not
19 limited to, costs associated with acquiring and disposing of real property, negotiating and
20 entering into rental agreements, and establishing and maintaining reserve funds for the
21 payment of necessary expenses for carrying out the purposes of this article."

22 **SECTION 2.**

23 Said article is further amended in Code Section 50-16-41, relating to authorizing rental
24 agreements without competitive bidding, limitations, charging the commission with the
25 management of administrative space, standards governing the utilization of administrative

26 space, reassignment of administrative space, and rules and regulations therefore, by revising
27 subsection (c) as follows:

28 "(c) The management of the utilization of administrative space by the commission shall
29 include entering into any necessary agreements to rent or lease administrative space,
30 whether existing or to be constructed, and shall include administrative space rented or
31 leased by a state entity from the Georgia Building Authority or from any other public or
32 private person, firm, or corporation. When it becomes necessary to rent or lease
33 administrative space, the space shall be rented or leased by the commission and for a term
34 not to exceed ten years or, in the case of a sale and leaseback, for a term not to exceed 20
35 years. The space shall be assigned to the state entity or entities requiring the space. All
36 agreements to rent or lease administrative space with a term of greater than one year shall
37 be publicly advertised for a minimum of four consecutive weeks. Selections are to be
38 based on criteria set forth in the advertisement and the qualifications of the lessor. When
39 there is a need to terminate an agreement for the rent or lease of administrative space, the
40 state entity to which the space is assigned shall notify the commission of such need no less
41 than 90 days prior to the requested date of termination. No agreement for the rent or lease
42 of administrative space with a term in excess of one year shall be terminated without prior
43 approval of the commission."

44

SECTION 3.

45 Said Code section is further amended by revising subsection (d) as follows:

46 "(d) If the commission reassigns all or any portion of any administrative space which is
47 leased or rented by one state entity to another state entity, the state entity to which the
48 administrative space is reassigned ~~shall~~ may pay to the commission rental charges, as
49 determined by the commission, for the utilization of the space; and the commission ~~shall~~
50 may, in turn, use the rental charges so paid for the purpose of paying or partially paying,
51 as the case may be, the rent or lease payments due the lessor of the administrative space in
52 accordance with the terms of the lease or rent contract existing at the time of the
53 reassignment of the administrative space. Any such payments to a lessor by the
54 commission shall be on behalf of the state entity which is the lessee of the administrative
55 space reassigned as provided in this Code section."

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SECTION 4.

57 Said Code section is further amended by revising subsection (i) as follows:

58 "(i) The commission is authorized and directed to promulgate rules and regulations
59 governing budgetary requirements for administrative space utilized by state entities in
60 cooperation with the Office of Planning and Budget whereby the entities shall be

61 accountable in the budgetary process for administrative space assigned to and utilized by
62 them. The budgetary requirements may provide for the payment of rent to the commission
63 by state entities or may otherwise provide procedures for the assessment of rent charges for
64 administrative space utilized by state entities or any combination of the foregoing. The
65 commission shall provide a report annually, no later than September 1 of each year, to the
66 Governor, President of the Senate, and Speaker of the House of Representatives of the total
67 sum of all leasing obligations to be paid by the state for the upcoming fiscal year."

68 **SECTION 5.**

69 Section 1 of this Act shall become effective on July 1, 2011. Sections 2 through 4 of this Act
70 shall become effective on January 1, 2013; provided, however, that Sections 2 through 4 of
71 this Act shall only become effective on January 1, 2013, upon the ratification of a resolution
72 at the November, 2012, state-wide general election, which resolution amends the
73 Constitution so as to authorize certain agencies to enter into lease and rental contracts
74 exceeding one year. If such resolution is not so ratified, Sections 2 through 4 of this Act
75 shall not become effective and shall stand repealed on January 1, 2013.

76 **SECTION 6.**

77 All laws and parts of laws in conflict with this Act are repealed.