

By the Committee on Fiscal Policy and Senator Scott

309-2190-00

1                                   A bill to be entitled  
2           An act relating to state leases; amending s.  
3           216.043, F.S.; requiring state agencies to  
4           present justification before terminating a  
5           lease of privately owned property; amending s.  
6           255.249, F.S.; providing for the coordination  
7           and assumption of the remaining term of a lease  
8           terminated by a state agency before the end of  
9           its base term; amending s. 255.25, F.S.;  
10          providing for the determination and  
11          amortization of the cost of tenant  
12          improvements; providing a process for the  
13          recovery of unamortized cost of tenant  
14          improvements when a lease is terminated before  
15          the end of its base term; providing an  
16          effective date.

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18 Be It Enacted by the Legislature of the State of Florida:

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20           Section 1. Paragraph (g) is added to subsection (3) of  
21 section 216.043, Florida Statutes, to read:

22           216.043 Budgets for fixed capital outlay.--  
23           (3) Each legislative budget request for fixed capital  
24 outlay submitted shall contain:

25           (g) The unamortized cost of tenant improvements under  
26 any lease executed after September 30, 2000, which is  
27 terminated before the expiration of its term for the purpose  
28 of relocating to a state-owned building.

29           Section 2. Present subsections (2) and (3) of section  
30 255.249, Florida Statutes, are renumbered as subsections (4)

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1 and (5), respectively, and new subsections (2) and (3) are  
2 added to that section, to read:

3           255.249 Department of Management Services;  
4 responsibility; department rules.--

5           (2) The department shall require any state agency  
6 planning to terminate a lease for the purpose of occupying  
7 space in a new state-owned office building, the funds for  
8 which are appropriated after June 30, 2000, to state why the  
9 proposed relocation is in the best interest of the state.

10           (3) The department shall, to the extent feasible,  
11 coordinate the vacation of privately owned leased space with  
12 the expiration of the lease on that space and, when a lease is  
13 terminated before expiration of its base term, will make a  
14 reasonable effort to place another state agency in the space  
15 vacated. Any state agency may lease the space in any building  
16 that was subject to a lease terminated by a state agency for a  
17 period of time equal to the remainder of the base term without  
18 the requirement of competitive bidding.

19           Section 3. Paragraphs (d) and (e) are added to  
20 subsection (3) of section 255.25, Florida Statutes, to read:

21           255.25 Approval required prior to construction or  
22 lease of buildings.--

23           (3)

24           (d) The agency and the lessor, when entering into a  
25 lease for 5,000 or more square feet of a privately owned  
26 building, shall, before the effective date of the lease, agree  
27 upon and separately state the cost of tenant improvements  
28 which may qualify for reimbursement if the lease is terminated  
29 before the expiration of its base term. The department shall  
30 serve as mediator if the agency and the lessor are unable to  
31 agree. The amount agreed upon and stated shall, if

1 appropriated, be amortized over the original base term of the  
2 lease on a straight-line basis.

3 (e) The unamortized portion of tenant improvements, if  
4 appropriated, will be paid in equal monthly installments over  
5 the remaining term of the lease. If any portion of the  
6 original leased premises is occupied after termination but  
7 during the original term by a tenant that does not require  
8 material changes to the premises, the repayment of the cost of  
9 tenant improvements applicable to the occupied but unchanged  
10 portion shall be abated during occupancy. The portion of the  
11 repayment to be abated shall be based on the ratio of leased  
12 space to unleased space.

13 Section 4. This act shall take effect July 1, 2000.

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15 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
16 COMMITTEE SUBSTITUTE FOR  
17 SB 2322

18 Requires agencies entering into leases for private office  
19 space to specify cost of tenant improvements made by the  
lessor.

20 Provides that agencies breaking leases to move to a state  
21 owned building must state why the relocation is in the best  
22 interest of the state. The Department of Management Services  
must seek to find another state tenant to occupy the space  
without the requirements of competitive bidding.

23 Provides that agencies terminating a lease from private space  
24 where tenant improvements have been made to relocate to a  
25 state building must request funds from the Legislature to  
reimburse the lessor for tenant improvements.

26 Provides that lessor can be paid the portion of unamortized  
27 cost of the improvements under certain circumstances.