



ARIZONA STATE SENATE
Fifty-Fifth Legislature, First Regular Session

FACT SHEET FOR H.B. 2312

lease cost review board; repeal

Purpose

Repeals the Arizona Lease Cost Review Board (LCRB) and transfers the responsibilities of the LCRB to the Director of the Arizona Department of Administration (ADOA).

Background

The LCRB consists of the Director of ADOA (Director) and four members appointed by the Director, including three directors of other state agencies and a staff member of the Joint Legislative Budget Committee (JLBC). Appointed members serve for a term of three years.

By July 1 of each even-numbered year, the LCRB must estimate an average square foot cost for leasing privately owned office space for the following two FYs and recommend to the Director a rental rate to charge state agencies for using space in buildings owned by or leased to the State of Arizona. Proposed leases of private office space by a state agency must be approved by the Director. For leases entered into by a state university, the lease must be approved by the Arizona Board of Regents (ABOR). By August 1 of each even numbered year, the Director and ABOR must submit a report to the Joint Committee on Capital Review (JCCR) that lists all leases approved in the prior two FYs that exceeded the average square foot dollar cost estimated for the prior FY ([A.R.S. § 41-792](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Repeals the LCRB and transfers the responsibilities of the LCRB to the Director.
2. Requires the Director, by July 1 of each FY, to recommend to the Governor's office a rental rate to charge a state agency for using space in buildings owned by or leased to the State of Arizona.
3. Requires the Director and ABOR to submit a report to the Governor's office and the JLBC, rather than the JCCR, that lists all leases approved in the prior two FYs that exceeded the average square foot dollar cost estimated for the prior FY.
4. Makes conforming changes.
5. Becomes effective on the general effective date.

House Action

GE	1/27/21	DP	7-6-0-0
3 rd Read	2/4/21		31-28-0-0-1

Prepared by Senate Research
 March 1, 2021
 MG/FDR/gs