

**BILL::**                    **House Bill 852** - State Procurement - Leases and Construction  
Contracts - Performance Suspension Pending Audit

**COMMITTEE:**        House Health and Government Operations

**DATE:**                February 20, 2024

**POSITION:**         Letter of Concern

House Bill 852 provides for the suspension of the performance on a construction contract or a contract to lease real property if the contract is being investigated by the Office of Legislative Audits for an allegation of fraud, waste, or abuse. This suspension would expire sixty (60) days following the completion of the investigation by the Office of Legislative Audits.

Adoption of this legislation would most certainly impede the Department of General Services (DGS) ability to complete construction contracts and real property leases in a timely and fiscally responsible manner. An increase in project, lease, and administrative costs would occur due to the delays. Continued delays may also cascade to other projects in the queue. Additionally, if a state agency ceases to pay rent for a significant time period, the agency could be evicted from the premises and thus affect service delivery to the public.

For additional information, contact Ellen Robertson at 410-260-2908 or Lisa Nissley at 410-260-2922.