

# HOUSE BILL No. 5839

May 13, 1992, Introduced by Reps. Pitoniak, Kosteva, Bennane, Anthony, DeMars, Ciaramitaro, Gire, Dobronski, Bennett, Clack, Niederstadt, Power, Shugars, Barns, Jondahl, Griffin, Brown, DeBeaussaert, Richard A. Young and Weeks and referred to the Committee on Economic Development and Energy.

A bill to amend the title and sections 1 and 1a of Act

No. 183 of the Public Acts of 1964, entitled as amended

"An act creating the state building authority with power to acquire, construct, furnish, equip, own, improve, enlarge, operate, mortgage, and maintain buildings, necessary parking structures or lots and facilities, and sites therefor, or furnishings or equipment for the use of the state or any of its agencies; to act as a developer or co-owner of buildings, necessary parking structures or lots, and facilities, and sites therefor as a condominium project for the use of the state or any of its agencies; to authorize the execution of leases pertaining to such properties, facilities, furnishings, or equipment by the building authority with the state or any of its agencies; to authorize the payment of true rentals by the state; to provide for the issuance of revenue obligations by the building authority to be paid from the true rentals to be paid by the state and other resources and security provided for and pledged by the building authority; to authorize the creation of funds; to authorize the conveyance of lands by the state or any of its agencies for the purposes herein authorized; to authorize the appointment of a trustee for bondholders and to permit remedies for the benefit of bondholders; and to provide for other matters in relation thereto,"

as amended by Act No. 248 of the Public Acts of 1988, being sections 830.411 and 830.411a of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. The title and sections 1 and 1a of Act No. 183  
2 of the Public Acts of 1964, as amended by Act No. 248 of the  
3 Public Acts of 1988, being sections 830.411 and 830.411a of the  
4 Michigan Compiled Laws, are amended to read as follows:

5	TITLE
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6 An act creating the state building authority with power to  
7 acquire, construct, furnish, equip, own, improve, enlarge, oper-  
8 ate, mortgage, MAKE ENERGY CONSERVATION IMPROVEMENTS, and main-  
9 tain buildings, necessary parking structures or lots and facili-  
10 ties, and sites therefor, or furnishings or equipment for the use  
11 of the state or any of its agencies; to act as a developer or  
12 co-owner of buildings, necessary parking structures or lots, and  
13 facilities, and sites therefor as a condominium project for the  
14 use of the state or any of its agencies; to authorize the execu-  
15 tion of leases pertaining to such properties, facilities, fur-  
16 nishings, or equipment by the building authority with the state  
17 or any of its agencies; to authorize the payment of true rentals  
18 by the state; to provide for the issuance of revenue obligations  
19 by the building authority to be paid from the true rentals to be  
20 paid by the state and other resources and security provided for  
21 and pledged by the building authority; to authorize the creation  
22 of funds; to authorize the conveyance of lands by the state or  
23 any of its agencies for the purposes herein authorized; to autho-  
24 rize the appointment of a trustee for bondholders and to permit  
25 remedies for the benefit of bondholders; and to provide for other  
26 matters in relation thereto.

1       Sec. 1. As used in this act:

2       (a) "Building authority" means the state building authority  
3 created by this act.

4       (b) "State" means the legislative, executive, and judicial  
5 branches of state government and includes institutions of higher  
6 education.

7       (c) "Existing facilities" means all existing buildings and  
8 other facilities, the sites for the buildings or facilities, and  
9 furnishings or equipment for the buildings or facilities located  
10 on real property acquired by the building authority under the  
11 terms of this act.

12       (d) "Facilities" means furnishings or equipment, existing  
13 facilities, and all new buildings, parking structures and lots,  
14 and other facilities, the sites for the buildings, structures, or  
15 facilities, and furnishings, ~~or~~ equipment, AND ENERGY CONSERVA-  
16 TION IMPROVEMENTS for the buildings, structures, or facilities in  
17 any way acquired or constructed by the building authority under  
18 this act.

19       (e) "True rental" means the rental required to be paid by  
20 the state to the building authority under any lease between the  
21 state and the building authority entered into under this act.  
22 The true rental shall be paid by the state to the building  
23 authority or its assignee periodically as specified in the lease  
24 with the building authority and shall be in periodic amounts that  
25 do not exceed the economic or market value to the state of the  
26 leased facilities. The economic or market value to the state of  
27 the leased facilities shall be determined by the state

1 administrative board before the execution of any lease by the  
2 state under this act by an appraisal made by or for the state  
3 using commonly employed procedures that will fairly determine  
4 economic or market value. An appraisal, when using procedures  
5 commonly employed by appraisers, may set forth a range for the  
6 true rental that reflects variations that may occur in the compo-  
7 nents upon which the appraisal is based. If a lease is only for  
8 furnishings or equipment, the state administrative board may  
9 employ an appraiser to determine the economic or market value to  
10 the state of the furnishings or equipment, or the state adminis-  
11 trative board may approve an alternative method to determine the  
12 economic or market value to the state of the furnishings or  
13 equipment. The alternative method may include the determination  
14 of the economic or market value to the state by a person who is  
15 in the business of leasing furnishings or equipment.

16 (f) "Board" means the board of trustees of the building  
17 authority.

18 (g) "Bond" or "bonds" or "obligation" or "obligations" means  
19 any bond or bonds, note or notes, or other debt obligation or  
20 obligations issued by the building authority under section 8.

21 (h) "Institutions of higher education" means a college or  
22 university listed in section 4 or 5 of article VIII of the state  
23 constitution of 1963 or described in section 6 of article VIII of  
24 the state constitution of 1963 or a community or junior college  
25 established under section 7 of article VIII of the state consti-  
26 tution of 1963.

1       Sec. 1a. The legislature finds all of the following:

2       (a) That there is a present need for the state, its  
3 agencies, and departments, in order to carry out necessary gov-  
4 ernmental functions and enterprises and to provide necessary  
5 services to the people of the state as mandated or permitted by  
6 constitution and law, to do both of the following:

7       (i) Rent, lease, or otherwise acquire additional buildings,  
8 together with necessary parking structures and lots, facilities,  
9 furnishings, equipment, and sites.

10       (ii) Renovate or restore properties owned or used by the  
11 state.

12       (b) That the state now rents and leases from private owners  
13 at a substantial cost space and furnishings or equipment in many  
14 communities in order to provide services, and as the state con-  
15 tinues to grow it will be necessary to rent or lease substantial  
16 additional space and furnishings or equipment from private owners  
17 at substantial additional cost to provide services.

18       (c) That the state building authority is created by this act  
19 with the powers granted in this act to do both of the following:

20       (i) Provide additional space and furnishings or equipment in  
21 the best locations and in the most economical and efficient  
22 manner.

23       (ii) Improve existing facilities through the restoration or  
24 renovation of those facilities AND INSTITUTING ENERGY CONSERVA-  
25 TION MEASURES FOR THOSE FACILITIES.