



# SENATE BILL No. 1206

September 14, 1994, Introduced by Senators GAST, GEAKE,  
DE GROW and SCHWARZ and referred to the Committee on  
Appropriations

A bill to amend sections 115, 221, 342, 486, and 551 of Act  
No 431 of the Public Acts of 1984, entitled as amended

"The management and budget act,"

sections 115, 221, and 342 as amended by Act No 504 of the  
Public Acts of 1988 and section 486 as added by Act No 272 of  
the Public Acts of 1986, being sections 18 1115, 18 1221  
18 1342, 18 1486, and 18 1551 of the Michigan Compiled Laws

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 115, 221, 342, 486, and 551 of Act  
2 No 431 of the Public Acts of 1984, sections 115, 221, and 342 as  
3 amended by Act No 504 of the Public Acts of 1988 and section 486  
4 as added by Act No 272 of the Public Acts of 1986, being sec-  
5 tions 18 1115, 18 1221, 18 1342, 18 1486, and 18 1551 of the  
6 Michigan Compiled Laws, are amended to read as follows

1       Sec 115   (1) "Institution of higher education" means a  
2 state supported 4-year college or university

3       (2) "JCOS" means the joint capital outlay subcommittee of  
4 the appropriations committees

5       (3) "Project" means a facility which is being planned or  
6 constructed

7       (4) Except as used in sections 284 to 292, "record" means a  
8 public record as defined in section 2 of the freedom of informa-  
9 tion act, Act No 442 of the Public Acts of 1976, being section  
10 15 232 of the Michigan Compiled Laws

11       (5) "State agency" means a department, board, commission,  
12 office, agency, authority, or other unit of state government  
13 State agency does not include an institution of higher education  
14 or a community college or, for purposes of article 2 or 3, the  
15 legislative ~~or judicial branches~~ BRANCH of government   FOR  
16 PURPOSES OF ARTICLE 2 OR 3, EXCEPT FOR THOSE SECTIONS PERTAINING  
17 TO THE AUTHORIZATION, PLANNING, CONSTRUCTION AND FUNDING OF A  
18 CAPITAL OUTLAY PROJECT, INCLUDING CONSTRUCTION OF A FACILITY TO  
19 HOUSE OFFICES OR FUNCTIONS NECESSARY FOR OPERATION OF THE JUDI-  
20 CIAL BRANCH OF GOVERNMENT, STATE AGENCY DOES NOT INCLUDE THE  
21 JUDICIAL BRANCH OF GOVERNMENT

22       (6) "Unit of local government" means a political subdivision  
23 of this state, including school districts, community college dis-  
24 tricts, intermediate school districts, cities, villages, town-  
25 ships, counties, and authorities, if the political subdivision  
26 has as its primary purpose the providing of local governmental

1 service for citizens in a geographically limited area of the  
2 state and has the power to act primarily on behalf of that area

3       Sec 221   (1) The director may provide for the rental and  
4 lease of land and facilities for the use of state agencies in the  
5 manner provided by law   The rentals and leases shall not be  
6 effective unless approved by the board   Before a facility or  
7 space is leased by the state, consisting of a total of 25,000  
8 gross square feet or more, OR for a term of more than 5 years,  
9 the lease shall be approved by the joint capital outlay subcom-  
10 mittee of the legislature   For the purposes of this subsection,  
11 a lease agreement for more than the total gross square feet pre-  
12 viously approved by the joint capital outlay subcommittee shall  
13 be considered a new agreement subject to approval of the joint  
14 capital outlay subcommittee

15       (2) If a project costs more than \$1,000,000 00 and consists  
16 of less than 25,000 gross square feet, the department shall  
17 notify the joint capital outlay subcommittee in writing of its  
18 intent to proceed with such a facility   The notice shall be  
19 given 30 days before the lease contract providing for the pro-  
20 posed constructions is entered into

21       (3) The department may grant easements, upon terms and con-  
22 ditions the board determines are just and reasonable, for highway  
23 and road purposes, and for constructing, operating, and maintain-  
24 ing pipelines or electric, telephone, telegraph, television, gas,  
25 sanitary sewer, storm sewer, or other utility lines including all  
26 supporting fixtures and other appurtenances over, through, under,  
27 upon, and across any land belonging to this state, except lands

1 under the jurisdiction of the department of natural resources,  
2 the department of military affairs, or the state transportation  
3 department

4 (4) The department shall determine annually the prevailing  
5 market rental values of all state owned office facilities and  
6 private facilities which provide housing for state employees  
7 The rental values determined pursuant to this subsection shall  
8 not be effective unless approved by the board The renting and  
9 leasing of excess state owned land and buildings to private and  
10 public entities shall be at prevailing market rental values

11 (5) The department shall determine the rentals for occupancy  
12 of the department of labor building in the city of Detroit pursu-  
13 ant to section 223

14 Sec 342 The state ~~budget director~~ TREASURER OR ANOTHER  
15 STATE OFFICER DESIGNATED BY THE GOVERNOR shall establish and  
16 maintain an economic analysis, revenue estimating, and monitoring  
17 activity The activity shall include the preparation of current  
18 estimates of all revenue by source for state operating funds for  
19 the initial executive budget proposal to the legislature and  
20 thereafter through final closing of the state's accounts

21 Sec 486 (1) ~~Not later than October 1, 1987, each~~ EACH  
22 principal department shall appoint an internal auditor Each  
23 internal auditor shall be a member of the state classified execu-  
24 tive service

25 (2) Except as otherwise provided by law, each internal audi-  
26 tor shall report to and be under the general supervision of the  
27 department head

1       (3) A person may not prevent or prohibit the internal  
2 auditor from initiating, carrying out, or completing any audit or  
3 investigation   The internal auditor shall be protected pursuant  
4 to the whistleblowers' protection act, Act No 469 of the Public  
5 Acts of 1980, being sections 15 361 to 15 369 of the Michigan  
6 Compiled Laws

7       (4) The internal auditor of each principal department  
8 shall

9       (a) Receive and investigate any allegations that false or  
10 misleading information was received in evaluating the principal  
11 department's internal accounting and administrative control  
12 system or in connection with the preparation of the biennial  
13 report on the system

14       (b) Conduct and supervise audits relating to financial  
15 activities of the principal department's operations

16       (c) Review existing activities and recommend policies  
17 designed to promote efficiency in the administration of that  
18 principal department's programs and operations as assigned by the  
19 department head

20       (d) Recommend policies for activities to protect the state's  
21 assets under the control of that principal department, and to  
22 prevent and detect fraud and abuse in the principal department's  
23 programs and operations

24       (e) Review and recommend activities designed to ensure that  
25 principal department's internal financial control and accounting  
26 policies are in conformance with the department of management and

1 budget accounting division directives issued pursuant to sections  
2 421 and 444

3 (f) Provide a means to keep the department head fully and  
4 currently informed about problems and deficiencies relating to  
5 the administration of that principal department's programs and  
6 operations and the necessity for and progress of corrective  
7 action

8 (g) Conduct other audit and investigative activities as  
9 assigned by the department head

10 (5) Each internal auditor shall adhere to appropriate pro-  
11 fessional and auditing standards in carrying out any financial or  
12 program audits or investigations

13 Sec 551 (1) The governor shall ~~inquire into~~ MONITOR the  
14 administration of this act

15 (2) The governor may remove or suspend any appointive public  
16 officer for violations of this act

17 (3) The governor may remove or suspend any elective public  
18 officer for violation of this act which constitutes gross neglect  
19 of duty, corrupt conduct in office, misfeasance, or malfeasance

20 (4) This section does not apply to any public officer of the  
21 ~~legislature~~ LEGISLATIVE or judicial branch of government

22 (5) The governor shall report the reasons for any removal or  
23 suspension to the legislature