

SENATE BILL No. 1374

June 5, 2002, Introduced by Senator JOHNSON and referred to the Committee on Appropriations.

A bill to amend 1964 PA 183, entitled

"An act creating the state building authority with power to acquire, construct, furnish, equip, own, improve, enlarge, operate, mortgage, and maintain facilities for the use of the state or any of its agencies; to act as a developer or co-owner of facilities as a condominium project for the use of the state or any of its agencies; to authorize the execution of leases pertaining to those facilities 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 authorized in this act; to authorize the appointment of a trustee for bondholders; to permit remedies for the benefit of parties in interest; to provide for other powers and duties of the authority; and to provide for other matters in relation to the authority and its obligations,"

by amending section 7 (MCL 830.417), as amended by 1994 PA 252.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 7. (1) The state may lease facilities from the
2 building authority for public purposes within the concepts

1 provided in this act, upon terms and conditions agreed upon and
2 subject to the limitations and provisions provided in section 6.
3 Before execution, a lease shall be approved by the state adminis-
4 trative board and, except as provided in subsection (3), by con-
5 current resolution of the legislature concurred in by a majority
6 of the members elected to and serving in each house. The votes
7 and names of the members voting shall be entered in the journal.
8 The lease as approved by the building authority and the adminis-
9 trative board, and if required, the legislature or an institution
10 of higher education, may provide for a determinable true rental
11 as a range as permitted under section 1(e).

12 (2) If a lease is approved containing a true rental stated
13 as a range, then actual rental to be paid under the lease shall
14 be fixed at an amount certified by the appraiser and, after the
15 certification, shall be approved by the state administrative
16 board and the building authority. The appraiser shall not certi-
17 fy, and the board and authority shall not approve, a true rental
18 amount unless the amount is fixed within or below the stated
19 range. A lease shall not be executed more than 3 years after its
20 approval by the legislature. The state shall pay to the building
21 authority or its assignee the true rental at the times, in the
22 manner, and at the place specified in the lease. The governor
23 and the budget director shall include in the annual budget of the
24 state for each year an amount fully sufficient to pay the true
25 rental required to be paid by the state to the building authority
26 or its assignee required by any lease under this act. If the
27 lease is for an institution of higher education, then in

1 addition, the lease shall be authorized by the institution of
2 higher education and signed by its authorized officers.

3 (3) The state ~~, except institutions of higher education,~~
4 may lease from the building authority property that is comprised
5 only of furnishings or equipment if all of the following require-
6 ments are met:

7 (a) Before a lease that is only for furnishings or equipment
8 is executed, the general form of the lease shall be approved by
9 concurrent resolution of the legislature concurred in by a major-
10 ity of the members elected to and serving in each house. The
11 form of the lease approved by the legislature need not contain a
12 description of the property to be leased or the rental or a
13 rental range. However, before the state executes the lease, the
14 description of the property to be leased and the rental shall be
15 approved by the state administrative board as provided in subsec-
16 tion (2). The concurrent resolution of the legislature approving
17 the form of lease shall also approve a maximum amount of furnish-
18 ings and equipment that may be leased during the 2 years follow-
19 ing the approval of the lease pursuant to the form of lease
20 approved.

21 (b) A lease that is only for furnishings or equipment shall
22 be executed only if the furnishings or equipment are for use by a
23 state agency as determined under the management and budget act,
24 ~~Act No. 431 of the Public Acts of 1984, being sections 18.1101~~
25 ~~to 18.1594 of the Michigan Compiled Laws 1984 PA 431, MCL~~
26 ~~18.1101 TO 18.1594, OR FOR USE BY AN INSTITUTION OF HIGHER~~
27 ~~EDUCATION.~~

1 (C) IF THE LEASE IS FOR AN INSTITUTION OF HIGHER EDUCATION,
2 BEFORE THE STATE EXECUTES THE LEASE, THE DESCRIPTION OF THE PROP-
3 ERTY TO BE LEASED AND THE RENTAL SHALL ALSO BE APPROVED BY THE
4 INSTITUTION OF HIGHER EDUCATION AS PROVIDED IN SUBSECTION (2).
5 INSTITUTIONS OF HIGHER EDUCATION MAY ONLY LEASE FROM THE BUILDING
6 AUTHORITY FURNISHINGS, HARDWARE, AND OTHER TYPES OF EQUIPMENT
7 ASSOCIATED WITH TELECOMMUNICATIONS, INCLUDING, BUT NOT LIMITED
8 TO, DIGITAL BROADCASTING, WIRELESS NETWORKING, AND INTERNET
9 SERVICES.