

**SUBSTITUTE FOR
HOUSE BILL NO. 5510**

A bill to make and supplement appropriations for certain capital outlay programs and state departments and agencies for the fiscal year ending September 30, 2005; to supplement appropriations for the state transportation department for the fiscal year ending September 30, 2005; to make and supplement appropriations for the department of agriculture and certain other state departments for the fiscal year ending September 30, 2004; to implement the appropriations within the budgetary process; to make appropriations for planning and construction at state agencies; to make appropriations for state building authority rent and insurance; to make a grant for state building authority rent; to provide for the acquisition of land and buildings; to provide for the elimination of fire hazards; to provide for special maintenance, remodeling and addition, alteration, renovation, demolition, and other projects; to provide for elimination of occupational safety and health hazards; to provide for the award

and implementation of contracts; to provide for the purchase of furnishings and equipment relative to occupancy of a project; to provide for the development of public recreation facilities; to provide for certain advances from the general fund; to prescribe powers and duties of certain state-officers and agencies; to require certain reports, plans, and agreements; to provide for leases; to provide for transfers; to prescribe standards and conditions relating to the appropriations; to provide for the expenditure of appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for certain capital outlay projects at the various state agencies for the fiscal year ending September 30, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

TOTAL CAPITAL OUTLAY

GROSS APPROPRIATION.....	\$	289,511,500
Total interdepartmental grants and intradepartmental transfers.....		2,000,000
ADJUSTED GROSS APPROPRIATION.....	\$	287,511,500
Total federal revenues.....		215,380,200
Total local funds.....		22,790,000
Total private.....		0
Total state restricted.....		43,147,500
State general fund/general purpose.....	\$	6,193,800

House Bill No. 5510 (H-1) as amended December 2, 2004

1	Sec. 102. DEPARTMENT OF AGRICULTURE		
2	Farmland and open space development acquisition.....	\$	<u>7,500,000</u>
3	GROSS APPROPRIATION.....	\$	7,500,000
4	Appropriated from:		
5	Federal revenues:		
6	DAG, multiple grants.....		2,500,000
7	Special revenue funds:		
8	Agriculture preservation fund.....		5,000,000
9	State general fund/general purpose.....	\$	0
10	Sec. 103. DEPARTMENT OF MANAGEMENT AND BUDGET		
11	Lump-sum projects:		
12	For state agencies special maintenance projects		
13	estimated to cost more than \$100,000 but less than		
14	\$1,000,000.....	\$	[2,200,000]
15	[Grant to Kalamazoo Valley Community College, high		
16	throughput screening initiative.....		600,000]
17	Grant to Michigan international speedway, pedestrian		
18	access project.....		1,000,000
19	Grant to city of Detroit, baseball all-star game		
20	related infrastructure repairs, demolition, and		
21	major special maintenance.....		<u>1,000,000</u>
22	GROSS APPROPRIATION.....	\$	4,800,000
23	Appropriated from:		
24	Interdepartmental grant revenues:		
25	IDG, building occupancy charges.....		2,000,000
26	Special revenue funds:		
27	Escrow restructuring revenues.....		2,800,000
28	State general fund/general purpose.....	\$	0
29	Sec. 104. DEPARTMENT OF MILITARY AND VETERANS'		

1 **AFFAIRS**

2 Lump-sum projects:

3 For department of military and veterans' affairs

4 remodeling, additions, and special maintenance

5 projects..... \$ 5,592,000

6 Camp Grayling, multiple company headquarters

7 building, for design and construction (total

8 project cost \$18,500,000; federal share

9 \$18,500,000)..... 18,500,000

10 Camp Grayling, multipurpose machine gun range, for

11 design and construction (total project cost

12 \$2,000,000; federal share \$2,000,000)..... 2,000,000

13 Grand Ledge army aviation support facility, phase II

14 (total authorized cost \$30,000,000; federal share

15 \$29,660,000; state armory construction fund share

16 \$340,000)..... 9,200,000

17 North Lansing complex renovations, for design and

18 construction (total project cost \$13,000,000;

19 federal share \$12,500,000; state share \$500,000).. 13,000,000

20 Grand Rapids home for veterans life-safety

21 renovations, for design and construction (total

22 authorized cost \$1,134,000; federal share

23 \$737,100; state share \$396,900)..... 1,134,000

24 D.J. Jacobetti home for veterans life-safety

25 renovations, for design and construction (total

26 authorized cost \$1,232,500; federal share

27 \$801,100; state share \$431,400)..... 1,232,500

1	Land acquisitions and appraisals state wide.....	<u>100,000</u>
2	GROSS APPROPRIATION..... \$	50,758,500
3	Appropriated from:	
4	Federal revenues:	
5	DOD, department of the army - national guard bureau.	47,792,000
6	DVA, veterans health administration.....	1,538,200
7	Special revenue funds:	
8	Armory construction fund.....	600,000
9	Income and assessments.....	828,300
10	State general fund/general purpose..... \$	0
11	Sec. 105. DEPARTMENT OF NATURAL RESOURCES	
12	(1) DEPARTMENTAL SUMMARY	
13	GROSS APPROPRIATION..... \$	12,450,000
14	Total interdepartmental grants and intradepartmental	
15	transfers.....	0
16	ADJUSTED GROSS APPROPRIATION..... \$	12,450,000
17	Total federal revenues..... \$	3,550,000
18	Total local funds.....	0
19	Total private.....	0
20	Total state restricted.....	8,900,000
21	State general fund/general purpose..... \$	0
22	(2) STATE PARK REMODELING AND MAINTENANCE	
23	State parks repair and maintenance..... \$	1,000,000
24	Forest roads, bridges, and facilities.....	<u>900,000</u>
25	GROSS APPROPRIATION..... \$	1,900,000
26	Appropriated from:	
27	Special revenue funds:	

1	State park improvement fund.....	1,000,000
2	Forest development fund.....	800,000
3	Forest recreation fund.....	100,000
4	State general fund/general purpose..... \$	0
5	(3) WILDLIFE	
6	State game and wildlife area maintenance..... \$	<u>550,000</u>
7	GROSS APPROPRIATION..... \$	550,000
8	Appropriated from:	
9	Federal revenues:	
10	DOI, Pittman - Robertson.....	550,000
11	Special revenue funds:	
12	State general fund/general purpose..... \$	0
13	(4) WATERWAYS BOATING PROGRAM	
14	Boating program, state boating access sites:	
15	Crystal Lake, Benzie County, new site construction,	
16	phase II (total authorized cost \$1,400,000; state	
17	share \$1,400,000)..... \$	200,000
18	Field initiatives.....	2,000,000
19	Boating program, boating access sites,	
20	grants-in-aid:	
21	Holland, Ottawa County, Kollen park boating access	
22	site rehabilitation (total project cost	
23	\$1,300,000; state share \$650,000; local share	
24	\$650,000).....	650,000
25	Boating program, state harbors and docks:	
26	Infrastructure improvements and engineering studies.	1,650,000
27	Boating program, local harbors and docks,	

1	grants-in-aid:	
2	Infrastructure improvements and engineering studies.	1,100,000
3	St. Clair, St. Clair County, marina rehabilitation	
4	and upgrade (total project cost \$4,000,000;	
5	federal share \$3,000,000; local share \$1,000,000).	3,000,000
6	Charlevoix, Charlevoix County, marina expansion and	
7	upgrade (total project cost \$2,000,000; state	
8	share \$1,000,000; local share \$1,000,000).....	1,000,000
9	Naubinway, Mackinac County, marina rehabilitation	
10	and dredging (total project cost \$600,000; state	
11	share \$300,000; local share \$300,000).....	300,000
12	St. Ignace, Mackinac County, chief dock pier project	
13	(total project cost \$100,000; state share	
14	\$100,000).....	<u>100,000</u>
15	GROSS APPROPRIATION..... \$	10,000,000
16	Appropriated from:	
17	Federal revenues:	
18	DOI, U.S. fish and wildlife service Dingell-Johnson.	3,000,000
19	Special revenue funds:	
20	State waterways fund.....	7,000,000
21	State general fund/general purpose..... \$	0
22	Sec. 106. DEPARTMENT OF TRANSPORTATION	
23	(1) BUILDINGS AND FACILITIES	
24	Salt storage buildings and brine runoff control	
25	systems - contract agencies locations..... \$	1,900,000
26	Construct, renovate, and/or replace salt storage	
27	buildings, various maintenance garage locations...	1,100,000

1	L'Anse, Baraga County, demolish old and construct	
2	new equipment storage building, phase II (total	
3	authorized cost \$1,015,000).....	200,000
4	Atlanta, Montmorency County, maintenance garage	
5	renovations, phase II (total authorized cost	
6	\$3,300,000).....	2,676,000
7	Detroit, Wayne County, maintenance garage, phase II	
8	(total authorized cost \$4,030,000).....	530,000
9	Houghton, Houghton County, maintenance garage, for	
10	design and construction (total authorized cost	
11	\$2,230,000).....	2,230,000
12	Mio, Oscoda County, maintenance garage renovation	
13	and expansion (total authorized cost \$1,471,000)..	1,471,000
14	Brighton, Livingston County, new equipment storage	
15	building (total authorized cost \$350,000).....	350,000
16	Detroit, Wayne County, MITS garage, new equipment	
17	storage building (total authorized cost \$100,000)..	100,000
18	Bay region, new equipment storage building.....	56,000
19	Institutional and agency roads.....	750,000
20	DeWitt Township, Clinton County, state aeronautics	
21	facility roof, apron/ramp, and security	
22	improvements (total authorized cost \$400,000).....	<u>400,000</u>
23	GROSS APPROPRIATION.....	\$ 11,763,000
24	Appropriated from:	
25	Special revenue funds:	
26	State trunkline fund.....	11,363,000
27	State aeronautics fund.....	400,000

1	State general fund/general purpose.....	\$	0
2	(2) AERONAUTICS FUND: AIRPORT PROGRAMS		
3	Airport safety and protection plan.....	\$	202,046,200
4	Federal/state/local airport construction:		
5	Adrian - Lenawee County airport		
6	Allegan - Padgham field		
7	Alma - Gratiot community airport		
8	Alpena - Alpena County regional airport		
9	Ann Arbor - municipal airport		
10	Atlanta - Atlanta municipal airport		
11	Bad Axe - Huron County memorial airport		
12	Baraga - Baraga County airport		
13	Battle Creek - W.K. Kellogg airport		
14	Bay City - James Clements airport		
15	Bellaire - Antrim County airport		
16	Benton Harbor - southwest Michigan regional airport		
17	Big Rapids - Roben-Hood airport		
18	Cadillac - Wexford County airport		
19	Caro municipal airport		
20	Caseville - Caseville airport		
21	Charlevoix - municipal airport		
22	Charlotte - Fitch H. Beach airport		
23	Cheboygan County airport		
24	Clare municipal airport		
25	Coldwater - Branch County airport		
26	Detroit - Detroit city airport		
27	Detroit - Detroit metropolitan-Wayne County airport		

- 1 Detroit - Willow Run airport
- 2 Dowagiac - Cass County airport
- 3 Drummond Island - Drummond Island airport
- 4 East Tawas - Iosco County airport
- 5 Escanaba - Delta County airport
- 6 Ewart municipal airport
- 7 Flint - Bishop international airport
- 8 Frankfort - Dow memorial airport
- 9 Fremont municipal airport
- 10 Gaylord - Otsego County airport
- 11 Gladwin - Zettle memorial airport
- 12 Grand Haven memorial airpark
- 13 Grand Ledge - Abrams municipal airport
- 14 Grand Rapids - Gerald R. Ford international airport
- 15 Grayling army airfield
- 16 Greenville municipal airport
- 17 Grosse Ile municipal airport
- 18 Hancock - Houghton County memorial airport
- 19 Harbor Springs municipal airport
- 20 Hart-Shelby - Oceana County airport
- 21 Hastings - Hastings city/Barry County airport
- 22 Hillsdale municipal airport
- 23 Holland - tulip city airport
- 24 Houghton Lake - Roscommon County airport
- 25 Howell - Livingston County airport
- 26 Ionia - Ionia County airport
- 27 Iron County airport

- 1 Iron Mountain - Ford airport
- 2 Ironwood - Gogebic-Iron County (Wisconsin) airport
- 3 Jackson - Jackson County-Reynolds field
- 4 Kalamazoo - Kalamazoo/Battle Creek international
- 5 airport
- 6 Lake Isabella airpark
- 7 Lakeview-Griffith field
- 8 Lambertville - suburban airport
- 9 Lansing - capital city airport
- 10 Lapeer - Dupont-Lapeer airport
- 11 Lewiston - Garland airport
- 12 Linden - Price airport
- 13 Lowell city airport
- 14 Ludington - Mason County airport
- 15 Mackinac Island airport
- 16 Manistee County airport
- 17 Manistique - Schoolcraft County airport
- 18 Marlette - Marlette township airport
- 19 Marquette - Sawyer airport
- 20 Marshall - Brooks field
- 21 Mason - Jewett field
- 22 Menominee - Menominee-Marinette twin city airport
- 23 Midland - Barstow airport
- 24 Mio - Oscoda County airport
- 25 Monroe - Custer airport
- 26 Mount Pleasant municipal airport
- 27 Munising - Hanley field

- 1 Muskegon county airport
- 2 Newberry - Luce County airport
- 3 New Hudson - Oakland-southwest airport
- 4 Niles - Jerry Tyler memorial airport
- 5 Ontonagon County airport
- 6 Oscoda - Wurtsmith airport
- 7 Owosso community airport
- 8 Paradise airport
- 9 Pellston regional airport
- 10 Plymouth - Canton-Plymouth-Mettetal airport
- 11 Pointe Aux Pins - Bois Blanc Island airport
- 12 Pontiac - Oakland County international airport
- 13 Port Huron - St. Clair County international airport
- 14 Rogers City - Presque Isle County-Rogers City airport
- 15 Romeo state airport
- 16 Saginaw - H.W. Browne airport
- 17 Saginaw - MBS international airport
- 18 St. Ignace - Mackinac County airport
- 19 Saint James - Beaver Island airport
- 20 Sandusky city airport
- 21 Sault Ste. Marie - Chippewa County international
22 airport
- 23 Sault Ste. Marie - Sanderson airport
- 24 South Haven regional airport
- 25 Sparta airport
- 26 Statewide - various sites
- 27 Sturgis - Kirsch municipal airport

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1	Three Rivers municipal-Dr. Haines airport		
2	Traverse City - cherry capital airport		
3	Troy - Oakland-Troy airport		
4	West Branch community airport		
5	White Cloud airport		
6	GROSS APPROPRIATION.....	\$	202,046,200
7	Appropriated from:		
8	Federal revenues:		
9	DOT, federal aviation administration.....		160,000,000
10	Special revenue funds:		
11	Local aeronautics match.....		22,790,000
12	Combined comprehensive transportation bond proceeds		
13	fund - aeronautics.....		12,000,000
14	State aeronautics fund.....		7,256,200
15	State general fund/general purpose.....	\$	0
16	[
17			
18			
19			
20			
21			
22			
23	Sec. 107. STATE AGENCY, COMMUNITY COLLEGE, AND		
24	UNIVERSITY PLANNING PROJECTS		
25	Alpena Community College - instructional		
26	addition/renovation project - for program and		
27	planning to be paid for from college revenues.....	\$	100

1	Bay de Noc Community College - new west campus	
2	facility - for program and planning to be paid for	
3	from college revenues.....	100
4	Lansing Community College - vocational tech center -	
5	for program and planning to be paid for from	
6	college revenues.....	100
7	North Central Michigan College - university and	
8	science center - for program and planning to be	
9	paid for from college revenues.....	100
10	West Shore Community College - new student learning	
11	center - for program and planning to be paid for	
12	from college revenues.....	100
13	Central Michigan University - education building -	
14	for program and planning to be paid for from	
15	university revenues.....	100
16	Ferris State University - optometry building - for	
17	program and planning to be paid for from	
18	university revenues.....	100
19	Lake Superior State University - south hall addition	
20	and renovations project - for program and planning	
21	to be paid for from university revenues.....	100
22	Western Michigan University - Brown building project	
23	- for program and planning to be paid for from	
24	university revenues.....	100
25	Southwestern Michigan College - information	
26	technology center renovations - for program and	
27	planning to be paid for from college revenues..... \$	100

1	GROSS APPROPRIATION.....	\$	1,000
2	Appropriated from:		
3	State general fund/general purpose.....	\$	1,000
4	Sec. 108. STATE BUILDING AUTHORITY FINANCED		
5	CONSTRUCTION PROJECTS		
6	Glen Oaks Community College science building		
7	addition project authorized for planning in 2003		
8	PA 193, for design and construction (total		
9	authorized project cost \$3,200,000; state building		
10	authority share \$1,599,800; Glen Oaks Community		
11	College share \$1,600,000; state general fund share		
12	\$200).....	\$	<u>100</u>
13	GROSS APPROPRIATION.....	\$	100
14	Appropriated from:		
15	State general fund/general purpose.....	\$	100
16	Sec. 109. STATE BUILDING AUTHORITY RENT/GRANTS		
17	State building authority rent - state agencies.....	\$	0
18	Infrastructure, technology, equipment and		
19	maintenance grant, Lake Superior State University.		<u>192,700</u>
20	GROSS APPROPRIATION.....	\$	192,700
21	Appropriated from:		
22	Special revenue funds:		
23	CMRS emergency telephone fund.....		(6,000,000)
24	State general fund/general purpose.....	\$	6,192,700

25 PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2004-2005 is \$49,341,200.00 and state spending from state resources paid to units of local government for fiscal year 2004-2005 is \$28,456,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

CAPITAL OUTLAY

Department of agriculture - farmland and open space preservation.....	\$	2,500,000
Department of natural resources - waterways.....		4,800,000
State transportation department - salt storage buildings.....		1,900,000
State transportation department - state aeronautics program.....		<u>19,256,200</u>
TOTAL.....	\$	28,456,200

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the state budget director.

Sec. 202. The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this act:

- 1 (a) "ADA" means the Americans with disabilities act.
- 2 (b) "Board" means the state administrative board.
- 3 (c) "Community college" does not include a state agency or
4 university.
- 5 (d) "Department" means the department of management and budget.
- 6 (e) "Director" means the director of the department of management
and
7 budget.
- 8 (f) "DAG" means the United States department of agriculture.
- 9 (g) "DOD" means the United States department of defense.
- 10 (h) "DOI" means the United States department of interior.
- 11 (i) "DOT" means the United States department of transportation.
- 12 (j) "Fiscal agencies" means the senate fiscal agency and the house
13 fiscal agency.
- 14 (k) "HHS-HCFA" means the United States department of health and
human
15 services, health care financing administration.
- 16 (l) "ICF/MR" means intermediate care facilities for the mentally
17 retarded.
- 18 (m) "IDG" means interdepartmental grant.
- 19 (n) "JCOS" means the joint capital outlay subcommittee of the
20 appropriations committees.
- 21 (o) "MDOT" means the Michigan department of transportation.
- 22 (p) "Self-liquidating project" means a project constructed by a
23 community college or university with money raised through the use of a
24 debt instrument or other fund sources including, but not limited to,
25 gifts, grants, federal funds, or institutional sources, that is expected
26 to generate revenues to amortize the loan. A self-liquidating project
27 may or may not be a self-supporting project. Examples of a

1 self-liquidating project include dormitories, parking facilities, and
2 stadia.

3 (q) "Self-supporting project" means a project of a community
college
4 or university that will house a function or activity from which revenue
5 is generated that will cover all the direct and indirect operating costs
6 of the project without the additional transfer of any other general fund
7 money of the community college or university.

8 (r) "State agency" means an agency of state government. State
9 agency does not include a community college or university.

10 (s) "State building authority" means the authority created under
11 1964 PA 183, MCL 830.411 to 830.425.

12 (t) "University" means a 4-year university supported by the
13 state. University does not include a community college or a state
14 agency.

15 (u) "Utility system" means a utility supply or distribution
16 system, or a combination utility supply and distribution system.

17 Sec. 204. Funds appropriated in part 1 shall not be used for the
18 purchase of non-Michigan goods or services, or both, if competitively
19 priced and of comparable quality Michigan goods or services, or both,
20 are available.

21 Sec. 205. Unless otherwise specified, departments and agencies
22 receiving appropriations in part 1 shall use the Internet to fulfill
23 the reporting requirements of this act. This requirement may include
24 transmission of reports via electronic mail to the recipients
25 identified for each reporting requirement or it may include placement
26 of reports on an Internet or Intranet site.

27 **DEPARTMENT OF AGRICULTURE**

1 Sec. 251. Of the amounts appropriated in part 1 for farmland and
2 open space development acquisition, the funds shall be used for the
3 purchase of development rights and the awarding of grants by the
4 agriculture preservation fund board under the natural resources and
5 environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

6 **DEPARTMENT OF CORRECTIONS**

7 Sec. 301. A maximum security prison that is constructed or
8 completed after October 1, 1986 shall have operating manned
9 watchtowers equipped with the weaponry, lighting, sighting, and
10 communications devices necessary for effective execution of its
11 function. The watchtowers shall be constructed pursuant to the
12 American correctional association standards for watchtowers.

13 Sec. 302. (1) An appropriation and authorization contained in
14 this act or a previous appropriations act for the construction of a
15 new correctional facility, including a correctional camp, for which a
16 specific site was not identified with the appropriation shall not be
17 expended until approved by JCOS.

18 (2) For the purposes of this section, "site" means a city,
19 village, township, or county in which a correctional facility may be
20 located.

21 **CAPITAL OUTLAY PROCESSES, PROCEDURES, AND REPORTS**

22 Sec. 401. Each capital outlay project authorized in this act or
23 any previous capital outlay act shall comply with the procedures
24 required by the management and budget act, 1984 PA 431, MCL 18.1101 to
25 18.1594.

1 Sec. 402. A statement of a proposed facility's operating cost
2 shall be included with the facility's program statement and planning
3 documents when the plans are presented to JCOS for approval.

4 Sec. 403. (1) Before proceeding with final planning and
5 construction for projects at community colleges and universities
6 included in an appropriations bill, the community college or
7 university shall sign an agreement with the department that includes
8 the following provisions:

9 (a) The university or community college agrees to construct the
10 project within the total authorized cost established by the
11 legislature pursuant to the management and budget act, 1984 PA 431,
12 MCL 18.1101 to 18.1594, and an appropriations act.

13 (b) The design and program scope of the project shall not deviate
14 from the design and program scope represented in the program statement
15 and preliminary planning documents approved by the department.

16 (c) Any other items as identified by the department that are
17 necessary to complete the project.

18 (2) The department retains the authority and responsibility
19 normally associated with the prudent maintenance of the public's
20 financial and policy interests relative to the state-financed
21 construction projects managed by a community college or university.

22 Sec. 404. (1) The department shall provide the JCOS and the
23 fiscal agencies with reports as considered necessary relative to the
24 status of each planning or construction project financed by the state
25 building authority, by this act, or by previous acts.

26 (2) Before the end of each fiscal year, the department shall
27 report to the JCOS and the fiscal agencies for each capital outlay

1 project other than lump sums all of the following:

2 (a) The account number and name of each construction project.

3 (b) The balance remaining in each account.

4 (c) The date of the last expenditure from the account.

5 (d) The anticipated date of occupancy if the project is under
6 construction.

7 (e) The appropriations history for the project.

8 (f) The professional service contractor.

9 (g) The amount of a project financed with federal funds.

10 (h) The amount of a project financed through the state building
11 authority.

12 (i) The total authorized cost for the project and the state
13 authorized share if different than the total.

14 (3) Before the end of each fiscal year, the department shall
15 report the following for each project by a state agency, university,
16 or community college that is authorized for planning but is not yet
17 authorized for construction:

18 (a) The name of the project and account number.

19 (b) Whether a program statement is approved.

20 (c) Whether schematics are approved by the department.

21 (d) Whether preliminary plans are approved by the department.

22 (e) The name of the professional service contractor.

23 (4) As used in this section, "project" includes appropriation line
24 items made for purchase of real estate.

25 Sec. 405. (1) If a capital outlay appropriation is contained in
26 a public act that was not reviewed by the JCOS during the legislative
27 process, the director shall notify the JCOS of an expenditure of that

1 capital outlay appropriation not less than 60 days before the
2 expenditure.

3 (2) For the purposes of this section, "capital outlay
4 appropriation" means an appropriation that provides for the
5 construction, renovation, or repair of a capital facility or
6 acquisition or development of land and that is normally reviewed by
7 the JCOS.

8 Sec. 406. A state agency, college, or university shall take
9 steps necessary to make available federal and other money indicated in
10 this act, to make available federal or other money that may become
11 available for the purposes for which appropriations are made in this
12 act, and to use any part or all of the appropriations to meet matching
13 requirements that are considered to be in the best interest of this
14 state. However, the purpose, scope, and total estimated cost of a
15 project shall not be altered to meet the matching requirements.

16 Sec. 407. (1) Before money is released for the construction or
17 lease of a capital outlay project costing over \$1,000,000.00, at the
18 request of the JCOS the department shall submit to the JCOS, with
19 preliminary planning documents, a detailed comparative cost analysis.
20 The cost analysis shall include a comparison of the financial and
21 other benefits of construction, financing, operation, and maintenance
22 of the proposed facility between all of the following:

- 23 (a) The state.
 - 24 (b) The private sector.
 - 25 (c) A combination of the state and the private sector.
 - 26 (d) A lease agreement.
- 27 (2) If the department's recommendation for financing is

1 inconsistent with the findings of the comparative cost analysis, the
2 department shall present written documentation to the JCOS outlining
3 the rationale for the recommendation.

4 (3) For purposes of this section, "capital outlay project" means a
5 construction project or lease requiring JCOS approval including, but
6 not limited to, a general office facility, special use facility,
7 warehouse, institutional facility, or utility system designed for use
8 by a state agency or university. Capital outlay project does not
9 include a special maintenance and remodeling project, grant-in-aid
10 project, prison facility, legislative facility, judicial facility,
11 community college facility, or self-liquidating project constructed by
12 a university.

13 Sec. 408. Pursuant to section 242(2) of the management and
14 budget act, 1984 PA 431, MCL 18.1242, the department shall submit
15 5-year capital outlay plans and capital outlay priority requests
16 developed by state agencies (and as approved by the department of
17 management and budget), universities, and community colleges to the
18 chairperson and ranking vice-chairperson of the JCOS and the fiscal
19 agencies upon the release of the executive budget recommendation.

20 USE AND FINANCE STATEMENTS

21 Sec. 501. (1) A university or community college shall not let a
22 contract for new construction of a nonstate-funded project estimated
23 to cost more than \$1,000,000.00 unless the project is authorized by
24 the JCOS through approval of a use and financing statement defined by
25 a policy adopted by the JCOS. The request for legislative
26 authorization shall be initially submitted for review to the JCOS, the

1 fiscal agencies, and the department. The use and financing statement
2 for a nonstate-funded project shall contain the estimated total
3 construction cost and all associated estimated operating costs
4 including a statement of anticipated project revenues. As used in
5 this section, "new construction" includes land or property
6 acquisition, remodeling and additions, and maintenance projects.

7 (2) A project that is constructed in violation of this section
8 shall not receive state appropriations for purposes of operating the
9 project, or support for future infrastructure enhancements that are
10 necessitated, in part or in total, by construction of the project. In
11 addition, the violation may result in the loss of any state capital
12 outlay funding for the institution for 2 years.

13 (3) A state agency, including the department of military affairs,
14 shall not let a contract, including those for a direct
15 federally-funded capital outlay construction or major maintenance or
16 remodeling project if the total project is estimated to cost more than
17 \$1,000,000.00 and is to be constructed on state-owned lands, unless
18 the project is approved by the department and by the JCOS through
19 approval of a use and financing statement defined by a policy adopted
20 by the JCOS. For projects over \$1,000,000.00, the state agency shall
21 submit a use and financing statement as required for community
22 colleges and universities in subsection (1). As used in this
23 subsection, "direct federally-funded" refers to a project for which
24 federal payments are made directly to the construction vendor and not
25 to the state-of Michigan.

26 (4) A public body corporate created under section 28 of
27 article VII of the state constitution of 1963 and the urban

1 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512,
2 by a contractual interlocal agreement between local participating
3 economic development corporations formed under the economic
4 development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636,
5 and the Michigan strategic fund shall not let a contract for new
6 construction estimated to cost more than \$1,000,000.00 unless the
7 project is authorized by the JCOS through the approval of a use and
8 financing statement defined by a policy adopted by the JCOS. For
9 purposes of this subsection, the use and financing statement for a
10 project shall contain the estimated total construction cost and all
11 associated estimated operating costs. As used in this subsection,
12 "new construction" means land or property acquisition, remodeling or
13 additions, lease or lease purchase, and maintenance projects for the
14 corporate office of the public body corporate described in this
15 subsection.

16 (5) The chair of the JCOS shall annually transmit to each
17 community college and public university the current requirements and
18 guidelines for the submission of use and finance statements.

19 **LUMP SUMS AND SPECIAL MAINTENANCE**

20 Sec. 601. (1) The director shall allocate lump-sum
21 appropriations made in this act for remodeling and addition, special
22 maintenance, major special maintenance, energy conservation,
23 demolition, ICF/MR, air-conditioning, and fire protection projects.
24 The director shall allocate other lump sums in order of program
25 priority and need of the various state agencies or as otherwise based
26 on actual building inspection reports by regulatory agencies.

1 (2) The state budget director may authorize that funds
2 appropriated for lump-sum special maintenance shall be available for
3 no more than 2 fiscal years following the fiscal year in which the
4 original appropriation was made. Any remaining balance from
5 allocations made in this section shall lapse to the fund from which it
6 was appropriated pursuant to the lapsing of funds as provided in the
7 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

8 (3) Before the end of each fiscal year, the department shall
9 submit a report to the JCOS and the fiscal agencies indicating the
10 total cost and status of all lump-sum projects funded under this act
11 and any previous act that have been designated as proposed, designed,
12 bid, under construction, or completed within the current fiscal year.

13 Sec. 602. (1) A state agency shall provide notification to JCOS
14 prior to commencing a demolition project not authorized by law. The
15 demolition project may be disapproved by the JCOS within 30 days after
16 the date of notification, and if disapproved within that time, the
17 demolition project shall not be authorized. The notification to JCOS
18 shall identify the building or facility to be demolished and its
19 location, the estimated cost of the demolition project, estimated
20 project schedule, and the source of financing.

21 (2) The 30-day disapproval period does not apply to any
22 notifications submitted during a period when the legislature will not
23 be in session for 15 days or more. In these situations, the 30-day
24 disapproval period begins on the first scheduled session day.

25 Sec. 603. Pursuant to department policy, state agencies may
26 expend not more than \$600,000.00 from their operating budget for
27 special maintenance, remodeling, additions, or other capital outlay

1 purposes, unless specifically authorized by the legislature.

2 **COLLEGES AND UNIVERSITIES**

3 Sec. 801. (1) This section applies only to projects for
4 community colleges.

5 (2) State support is directed towards the remodeling and
6 additions, special maintenance, or construction of certain community
7 college buildings. The community college shall obtain or provide for
8 site acquisition and initial main utility installation to operate the
9 facility. Funding shall be comprised of local and state shares, and
10 the state share shall include 50% of any federal money awarded for
11 projects appropriated in this act. Not more than 50% of a capital
12 outlay project, not including a lump-sum special maintenance project
13 or remodeling and addition project, for a community college shall be
14 appropriated from state and federal funds, unless otherwise
15 appropriated by the legislature.

16 (3) An expenditure under this act is authorized when the release
17 of the appropriation is approved by the board upon the recommendation
18 of the director. The director may recommend to the board the release
19 of any appropriation in part 1 only after the director is assured that
20 the legal entity operating the community college to which the
21 appropriation is made has complied with this act and has matched the
22 amounts appropriated as required by this act. A release of funds in
23 part 1 shall not exceed 50% of the total cost of planning and
24 construction of any project, not including lump-sum remodeling and
25 additions and special maintenance, unless otherwise appropriated by
26 the legislature. Further planning and construction of a project
27 authorized by this act or applicable sections of the management and

1 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall be in
2 accordance with the purpose and scope as defined and delineated in the
3 approved program statements and planning documents. This act is
4 applicable to all projects for which planning appropriations were made
5 in previous acts.

6 (4) The community college shall take the steps necessary to secure
7 available federal construction and equipment money for projects funded
8 for construction in this act if an application was not previously
9 made. If there is a reasonable expectation that a prior year unfunded
10 application may receive federal money in a subsequent year, the
11 college shall take whatever action necessary to keep the application
12 active. If federal money is received, the state share shall be
13 adjusted accordingly as provided by this act.

14 Sec. 802. If matching revenues are received in an amount less
15 than the appropriations contained in this act, the state funds of the
16 appropriation shall be reduced in proportion to the amount of matching
17 revenue received.

18 Sec. 804. (1) The director may require that community colleges
19 and universities that have an authorized project listed in part 1
20 submit documentation regarding the project match and governing board
21 approval of the authorized project not more than 60 days after the
22 beginning of the fiscal year.

23 (2) If the documentation required by the director under subsection
24 (1) is not submitted, or does not adequately authenticate the
25 availability of the project match or board approval of the authorized
26 project, the authorization may terminate. The authorization
27 terminates 30 days after the director notifies the JCOS of the intent

1 to terminate the project unless the JCOS convenes to extend the
2 authorization.

3 **DEPARTMENT OF MANAGEMENT AND BUDGET**

4 Sec. 901. (1) The department shall provide the JCOS and the
5 fiscal agencies a report, not more than 15 days after the reporting
6 date, of privately owned leased space by state agencies, by March 31
7 and September 30 of each year, consisting of the following:

8 (a) Department.

9 (b) Agency division and leased number.

10 (c) Building location (address and city).

11 (d) Type of building.

12 (e) County.

13 (f) Name and address of lessor.

14 (g) Square footage and net square footage rate.

15 (h) Monthly and annual cost.

16 (i) Date lease started and expires.

17 (j) Options and services.

18 (2) The lease report shall be summarized for office space, group
19 homes, and other space for the Lansing area and statewide, excepting
20 the Lansing area.

21 Sec. 902. (1) Due to the need to more efficiently and
22 effectively manage the portfolio of facilities leased for use by
23 agencies of state government, the reduction in the number of state
24 employees occupying those facilities and the need to reduce
25 expenditures, the director of the department of management and budget
26 shall not authorize the expenditure of any funds appropriated to state
27 departments and state agencies for the fiscal year ending September

1 30, 2005 for rental payments or operational expenses for the leased
2 premises at the following location(s) except as provided in subsection
3 (2):

4 (a) 10226-1995-1035, department of labor and economic growth: 201
5 N. Washington, Lansing, MI.

6 (b) 7158-1990-115, department of labor and economic growth: 201
7 N. Washington, Lansing, MI.

8 (c) 7320-1989-349, department of civil service: 400 S. Pine,
9 Lansing, MI.

10 (d) 10464-1996-1362, department of community health: 300
11 E. Michigan, Lansing, MI.

12 (e) 7321-1989-350, department of community health: 400 S. Pine,
13 Lansing, MI.

14 (f) 10573-1998-1136, department of labor and economic growth:
15 1375 S. Washington, Lansing, MI.

16 (g) 10469-2002-2159, department of labor and economic growth:
17 2501 Woodlake Circle, Okemos, MI.

18 (h) 7157-2001-1172, department of corrections: 206 E. Michigan,
19 Lansing, MI.

20 (i) 10143-1992-1045, family independence agency: 2100 Woodward
21 Ave., Bloomfield Hills, MI.

22 (j) 10214-1993-1237, family independence agency: 5321 28th Street
23 SE, Grand Rapids, MI.

24 (k) 10220-1999-1330, family independence agency: 2015 Bailey,
25 Dearborn, MI.

26 (l) 10237-1992-1238, family independence agency: 1509 Washington,
27 Midland, MI.

1 (m) 10450-1995-1289, family independence agency: 27407 Hamlin,
2 Inkster, MI.

3 (n) 2502-1986-29, family independence agency: 111 W. Union,
4 Roscommon, MI.

5 (o) 2625-1988-55, family independence agency: 4505 Oakman,
6 Detroit, MI.

7 (p) 2702-1994-1191, family independence agency: 1960 Lafayette,
8 Detroit, MI.

9 (q) 6129-1983-57, family independence agency: 2400 Denton,
10 Hamtramck, MI.

11 (r) 7026-1988-212, family independence agency: 515 S. Sandusky,
12 Sandusky, MI.

13 (s) 7455-1992-1165, family independence agency: 22 Center,
14 Ypsilanti, MI.

15 (t) 10900-2001-1096, department of management and budget: 110
16 W. Michigan, Lansing, MI.

17 (u) 7050-2001-1203, department of management and budget: 400
18 S. Pine, Lansing, MI.

19 (v) 10235-1994-1262, department of state police: 4481 Corunna
20 Rd., Flint, MI.

21 (w) 2787-1993-1009, department of labor and economic growth: 5015
22 S. Cedar, Lansing, MI.

23 (2) If the director of the department of management and budget
24 determines that the proper and efficient administration of the
25 portfolio of facilities leased for use by agencies of state government
26 requires that payments from funds appropriated to state departments
27 and state agencies in the fiscal year ending September 30, 2005,

1 continue to be expended for rental payments or operational expenses
2 for 1 or more of the properties listed in subsection (1), an exception
3 may be granted by the director of the department of management and
4 budget for lease expenditures related to such property or properties.
5 No such exception shall be granted unless the director determines that
6 1 or more of the following will occur:

7 (a) The efficient and effective operation of an essential state
8 agency function will be jeopardized.

9 (b) Failure to waive application of subsection (1) will cause
10 substantial unnecessary expenditure of resources.

11 (c) Such an exception will serve the best interests of the state.

12 (3) Prior to September 30, 2005, the director of the department of
13 management and budget shall report in writing to the chairs of the
14 house and senate committees on appropriations, the house and senate
15 fiscal agencies, and the state budget director any exceptions approved
16 under subsection (2), and the justification for such exception(s).

17 **DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

18 Sec. 1001. The appropriations in part 1 for department of
19 military and veterans affairs design and construction projects are
20 contingent upon the availability of federal and state restricted funds
21 for financing.

22 Sec. 1002. The following department of military and veterans
23 affairs design and construction project is canceled: a total of
24 \$6,700,000.00 appropriated in 2003 PA 193 for design and construction
25 of a new United States property and fiscal office.

1 DEPARTMENT OF NATURAL RESOURCES

2 Sec. 1101. The appropriation made in this act for the harbors
3 and docks program is for the purpose of participating with the federal
4 government and assisting political entities and subdivisions of this
5 state in the construction and improvement of recreational boating
6 facilities within this state. Subject to the approval of the board,
7 this money shall be allocated by the department of natural resources
8 to the federal government, or to the political entities or local units
9 of government involved in the particular projects. An allocation
10 shall not exceed the state portion as listed with each project
11 description. The department of natural resources shall take the steps
12 necessary to match federal money available for the construction and
13 improvement of recreational boating facilities within this state, and
14 to meet requirements of the federal government.

15 Sec. 1102. Before the end of each fiscal year, the department of
16 natural resources shall report each year to the JCOS the status of
17 each project that received an appropriation in any capital outlay act,
18 if the project is either not completed or has a balance remaining in
19 its account. The report shall be in the same form and contain the
20 information as required under section 404. The report shall be
21 separated into the following areas, by fund sources:

- 22 (a) Waterways projects.
- 23 (b) Urban recreation projects.
- 24 (c) State park projects.
- 25 (d) Wildlife and fisheries projects.
- 26 (e) Other projects.

27 Sec. 1103. The department of natural resources may transfer

1 \$1,000,000.00 from the harbor development fund to the state waterways
2 fund for the purposes appropriated in part 1 of this act.

3 **STATE TRANSPORTATION DEPARTMENT**

4 Sec. 1201. (1) From federal-state-local project appropriations
5 contained in part 1 for the purpose of assisting political entities
6 and subdivisions of this state in the construction and improvement of
7 publicly used airports and landing fields within this state, the state
8 transportation department may permit the award of contracts on behalf
9 of units of local government for the authorized locations not to
10 exceed the indicated amounts, of which the state allocated portion
11 shall not exceed the amount appropriated in part 1.

12 (2) Political entities and subdivisions shall provide not less
13 than 2.5% of the cost of any project under this section, unless a
14 total nonfederal share greater than 5% is otherwise specified in
15 federal law. State money shall not be allocated until local money is
16 allocated. State money for any 1 project shall not exceed 1/3 of the
17 total appropriation in part 1 from state funds for airport improvement
18 programs.

19 (3) The Michigan aeronautics commission may take those steps
20 necessary to match federal money available for airport construction
21 and improvement within this state, and to meet the matching
22 requirements of the federal government. Whether acting alone or
23 jointly with another political subdivision or public agency or with
24 this state, a political subdivision or public agency of this state
25 shall not submit to any agency of the federal government a project
26 application for airport planning or development unless it is

1 authorized in this act and the project application is approved by the
2 governing body of each political subdivision or public agency making
3 the application, and by the Michigan aeronautics commission.

4 (4) From the appropriations contained in part 1 for airport
5 programs, no funds shall be allocated for any runway extensions,
6 taxiway extensions, or apron extensions at the Detroit-Willow Run
7 airport.

8 Sec. 1202. Before the end of each fiscal year, the state
9 transportation department shall report to the JCOS the status of
10 projects funded in part 1 with the estimated dollars allocated for
11 each project. If there has to be a delay in reporting, the state
12 transportation department shall notify JCOS in writing of the date the
13 report will be received.

14 Sec. 1203. (1) A planning project or construction project
15 appropriated for the airport program shall be made available for no
16 more than 2 fiscal years following the fiscal year in which the
17 original appropriation was made.

18 (2) Any remaining balance from allocations made in this section
19 shall lapse to the fund from which it was appropriated pursuant to the
20 lapsing of funds as provided in the management and budget act, 1984
21 PA 431, MCL 18.1101 to 18.1594.

22 Sec. 1204. Pursuant to applicable federal and state law,
23 acquisition of property adjacent to state or locally owned airport
24 facilities may be funded with federal, state, and local funds.

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House Bill No. 5510 (H-1) as amended December 2, 2004

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House Bill No. 5510 as amended December 2, 2004

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13 **MISCELLANEOUS**

14 Sec. 1301. (1) Revenue collected from licenses issued under the
15 antenna site management project shall be deposited into the antenna
16 site management revolving fund created for this purpose in the
17 department of information technology. The department may receive and
18 expend funds from the fund for costs associated with the antenna site
19 management project, including the cost of the third-party site
20 manager. Any excess revenue remaining in the fund at the close of the
21 fiscal year shall be proportionately transferred to the appropriate
22 state restricted funds as designated in statute or by constitution.

23 (2) An antenna shall not be sited pursuant to this section without
24 prior compliance with the respective local zoning codes and local unit
25 of government processes.

26 Sec. 1302. (1) A site preparation economic development fund is

1 hereby created in the department of management and budget. As used in
2 this section, "economic development sites" means those state-owned
3 sites declared as surplus property pursuant to section 251 of the
4 management and budget act, 1984 PA 431, MCL 18.1251, that would
5 provide economic benefit to the area or to the state. The Michigan
6 economic development corporation board and the state budget director
7 shall determine whether or not a specific state-owned site qualifies
8 for inclusion in the fund created under this subsection.

9 (2) Proceeds from the sale of any sites designated in
10 subsection (1) shall be deposited into the fund created in
11 subsection (1) and shall be available for site preparation
12 expenditures, unless otherwise provided by law. The economic
13 development sites authorized in subsection (1) are hereby authorized
14 for sale consistent with state law. Expenditures from the fund are
15 hereby authorized for site preparation activities that enhance the
16 marketable sale value of the sites. Site preparation activities
17 include, but are not limited to, demolition, environmental studies and
18 abatement, utility enhancement, and site excavation.

19 (3) A cash advance in an amount of not more than \$25,000,000.00 is
20 hereby authorized from the general fund to the site preparation
21 economic development fund.

22 (4) An annual report shall be transmitted to the senate and house
23 of representatives appropriations committees not later than
24 December 31 of each year. This report shall detail both of the
25 following:

26 (a) The revenue and expenditure activity in the fund for the
27 preceding fiscal year.

1 (b) The sites identified as economic development sites under
2 subsection (1).

3 **REPEALER**

4 Sec. 1401. Section 732 of 2004 PA 361 is repealed.

5 PART 2A

6 PROVISIONS CONCERNING APPROPRIATIONS

7 FISCAL YEAR 2003-2004

8 **GENERAL SECTIONS**

9 Sec. 3001. For the fiscal year ending September 30, 2004, there
10 is appropriated \$700,000.00 from the Michigan state fair revenue fund
11 for Michigan state fair payment of premiums to exhibitors.