Act No. 193
Public Acts of 2003
Approved by the Governor
November 7, 2003

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November 10, 2003

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STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2003

Introduced by Rep. Shulman

ENROLLED HOUSE BILL No. 4386

AN ACT to make appropriations for certain capital outlay programs and state departments and agencies 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. SUMMARY

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, 2004, from the funds indicated in this part. The following is a summary of the appropriations in this part:

TOTAL CAPITAL OUTLAY		
GROSS APPROPRIATION	$	571,063,900
Total interdepartmental grants and intradepartmental transfers		2,000,000
ADJUSTED GROSS APPROPRIATION	$	569,063,900
Total federal revenues		202,652,000
Total local funds		42,789,600
Total private		0
Total state restricted		42,320,000
State general fund/general purpose	$	281,302,300

		For Fiscal Year Ending Sept. 30, 2004
Sec. 102. DEPARTMENT OF AGRICULTURE		
Farmland and open space development acquisition	$	7,500,000
GROSS APPROPRIATION	$	7,500,000
Appropriated from:		
Federal revenues:		
DAG, multiple grants		2,500,000
Special revenue funds:		
Agriculture preservation fund		5,000,000
State general fund/general purpose	$	0
Sec. 103. DEPARTMENT OF MANAGEMENT AND BUDGET		
Lump-sum projects:		
Major special maintenance and remodeling:		
For state agencies special maintenance projects estimated to cost more than $100,000 but less than $1,000,000	$	2,000,000
Special maintenance and remodeling and additions:		
Major special maintenance and remodeling for department of corrections		711,700
Major special maintenance and remodeling for department of management and budget		244,100
Major special maintenance and remodeling for family independence agency		188,400
Major special maintenance and remodeling for department of community health		171,300
Major special maintenance and remodeling for department of state police		87,800
GROSS APPROPRIATION	$	3,403,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG, building occupancy charges		2,000,000
Special revenue funds:		
State general fund/general purpose	$	1,403,300
Sec. 104. DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS		
Lump-sum projects:		
For department of military and veterans' affairs remodeling, additions, and special maintenance projects	$	6,188,700
Grand Ledge army aviation support facility, for design and construction (total authorized cost $20,800,000; federal share $20,460,000; state armory construction fund share $340,000)		20,800,000
United States property and fiscal office, for design and construction (total authorized cost $6,700,000; federal share $6,200,000; state armory construction fund share $500,000)		6,700,000
Camp Grayling, bachelor officer quarters, for design and construction (total authorized cost $1,800,000; federal share $1,800,000)		1,800,000
Camp Grayling, conference center, for design and construction (total authorized cost $1,800,000; federal share $1,800,000)		1,800,000
Shiawassee County, armory replacement, for design and construction (total authorized cost $5,000,000; federal share $3,750,000; state armory construction fund share $1,250,000)		5,000,000
GROSS APPROPRIATION	$	42,288,700
Appropriated from:		
Federal revenues:		
DOD, department of the army - national guard bureau		39,602,000
Special revenue funds:		
Armory construction fund		2,090,000
State general fund/general purpose	$	596,700
Sec. 105. DEPARTMENT OF NATURAL RESOURCES		
(1) DEPARTMENTAL SUMMARY:		
GROSS APPROPRIATION	$	8,350,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	8,350,000
Total federal revenues	$	550,000
Total local funds:		
Total private		0

		For Fiscal Year Ending Sept. 30, 2004
Total state restricted	$	7,800,000
State general fund/general purpose	$	0
(2) STATE PARK REMODELING AND ADDITIONS:		
State parks repair and maintenance		1,000,000
Forest roads, bridges, and facilities		800,000
GROSS APPROPRIATION	$	1,800,000
Appropriated from:		
Special revenue funds:		
State park improvement fund		1,000,000
Forest development fund		800,000
State general fund/general purpose	$	0
(3) WILDLIFE:		
State game and wildlife area maintenance		550,000
GROSS APPROPRIATION	$	550,000
Appropriated from:		
Federal revenues:		
DOI, Pittman - Robertson		550,000
Special revenue funds:		
State general fund/general purpose	$	0
(4) WATERWAYS BOATING PROGRAM:		
Boating program, state boating access sites:		
Crystal Lake, Benzie County, new site construction (total authorized cost $550,000; state share $550,000)		550,000
Trout Lake, Livingston County, new site construction (total authorized cost $310,000; state share $310,000)		310,000
Boating program, boating access sites, grants-in-aid:		
Traverse City, Grand Traverse County, boating access site rehabilitation (total project cost $180,000; state share $135,000; local share $45,000)		135,000
Boating program, state harbors and docks:		
Infrastructure improvements and engineering studies		880,000
Land acquisitions		1,500,000
Boating harbor projects, grants-in-aid:		
Infrastructure improvements and engineering studies		400,000
South Haven, Van Buren County, marina dock system rehabilitation and upgrade (total authorized cost $1,250,000; state share $625,000; local share $625,000)		625,000
Harrisville, Alcona County, restroom/shower building improvements (total authorized cost state $1,200,000; share $600,000; local share $600,000)		600,000
Detroit, Wayne County, St. Aubin marina (total authorized cost $4,000,000; state share $4,000,000)		1,000,000
GROSS APPROPRIATION	$	6,000,000
Appropriated from:		
Special revenue funds:		
State waterways fund		6,000,000
State general fund/general purpose	$	0
Sec. 106. DEPARTMENT OF TRANSPORTATION		
Department buildings and facilities:		
Salt storage buildings and brine run-off control systems - contract agencies locations	$	1,400,000
Construct, renovate, and/or replace salt storage buildings, various maintenance garage locations		1,100,000
Gaylord, Otsego County, regional office building, for design and construction (total authorized cost $2,800,000)		1,800,000
Grayling, Crawford County, transportation service center (project termination)		(1,000,000)
Detroit, Wayne County, transportation service center, for design and construction (total authorized cost $3,300,000)		3,300,000
Brighton, Livingston County, transportation service center (project termination)		(800,000)
New Buffalo, Berrien County, welcome center water and sewer upgrades		500,000
L'Anse, Baraga County, demolish old and construct new equipment storage building		815,000
Atlanta, Montmorency County, maintenance garage renovations, phase I (total authorized cost $2,000,000)		550,000

		For Fiscal Year Ending Sept. 30, 2004
Reroof MDOT facilities - fence MDOT properties, and install bituminous surface/resurfacing - various locations	$	265,000
Institutional and agency roads		750,000
British landing dock repairs, Mackinac Island state park		130,000
Miscellaneous projects		920,000
GROSS APPROPRIATION	$	9,730,000
Appropriated from:		
Special revenue funds:		
State trunkline fund		9,600,000
Comprehensive transportation fund		130,000
State general fund/general purpose	$	0

Sec. 107. DEPARTMENT OF TRANSPORTATION

AERONAUTICS FUND: AIRPORT PROGRAMS

Airport safety and protection plan	$	216,789,600

Federal/state/local airport construction:

Adrian - Lenawee County airport
Allegan - Padgham field
Alma - Gratiot community airport
Alpena - Alpena County regional airport
Ann Arbor - municipal airport
Atlanta - Atlanta municipal airport
Bad Axe - Huron County memorial airport
Baraga - Baraga County airport
Battle Creek - W.K. Kellogg airport
Bay City - James Clements airport
Bellaire - Antrim County airport
Benton Harbor - southwest Michigan regional airport
Big Rapids - Roben-Hood airport
Cadillac - Wexford County airport
Caro - municipal airport
Caseville - Caseville airport
Charlevoix - municipal airport
Charlotte - Fitch H. Beach airport
Cheboygan - Cheboygan County airport
Clare - Clare municipal airport
Coldwater - Branch County airport
Detroit - Detroit city airport
Detroit - Detroit metropolitan-Wayne County airport
Detroit - Willow Run airport
Dowagiac - Cass County airport
Drummond Island - Drummond Island airport
Escanaba - Delta County airport
Evart - Evart municipal airport
Flint - Bishop international airport
Frankfort - Dow memorial airport
Fremont - municipal airport
Gaylord - Otsego County airport
Gladwin - Gladwin Zettle memorial airport
Grand Haven - Grand Haven memorial airpark
Grand Ledge - Abrams municipal airport
Grand Rapids - Gerald R. Ford international airport
Grayling - Grayling army airfield
Greenville - municipal airport
Grosse Ile - municipal airport
Hancock - Houghton County memorial airport
Harbor Springs - Harbor Springs municipal airport
Hart-Shelby - Oceana County airport

Hastings - Hastings city/Barry County airport
Hillsdale - municipal airport
Holland - tulip city airport
Houghton Lake - Roscommon County airport
Howell - Livingston County airport
Ionia - Ionia County airport
Iron County - County airport
Iron Mountain - Ford airport
Ironwood - Gogebic-Iron County airport
Jackson - Jackson County-Reynolds field
Kalamazoo - Kalamazoo/Battle Creek international airport
Lakeview - Lakeview-Griffith field
Lambertville - suburban airport
Lansing - capital city airport
Lapeer - Dupont-Lapeer airport
Lewiston - Garland airport
Linden - Price airport
Lowell - city airport
Ludington - Mason County airport
Mackinac Island - Mackinac Island airport
Manistee - Manistee County airport
Manistique - Schoolcraft County airport
Marlette - Marlette township airport
Marquette - Sawyer airport
Marshall - Brooks field
Mason - Jewett field
Menominee - Menominee-Marinette twin city airport
Midland - Barstow airport
Mio - Oscoda County airport
Monroe - Custer airport
Mount Pleasant - municipal airport
Munising - Hanley field
Muskegon - Muskegon County airport
Newberry - Luce County airport
New Hudson - Oakland-southwest airport
Niles - Jerry Tyler memorial airport
Ontonagon - Ontonagon County airport
Oscoda - Wurtsmith airport
Owosso - community airport
Paradise - Paradise airport
Pellston - Pellston regional airport
Plymouth - Canton-Plymouth-Mettetal airport
Pointe Aux Pins - Bois Blanc Island airport
Pontiac - Oakland County international airport
Port Huron - St. Clair County international airport
Rogers City - Presque Isle County-Rogers City airport
Romeo - Romeo airport
Saginaw - H.W. Browne airport
Saginaw - MBS international airport
St. Ignace - Mackinac County airport
Saint James - Beaver Island airport
Sandusky - Sandusky city airport
Sault Ste. Marie - Chippewa County international airport
Sault Ste. Marie - Sanderson airport
South Haven - regional airport
Sparta - Sparta airport
Statewide - various sites
Sturgis - Kirsch municipal airport

		For Fiscal Year Ending Sept. 30, 2004
Three Rivers - Three Rivers municipal-Dr. Haines airport		
Traverse City - cherry capital airport		
Troy - Oakland-Troy airport		
West Branch - West Branch community airport		
White Cloud - White Cloud airport		
GROSS APPROPRIATION	$	216,789,600
Appropriated from:		
Federal revenues:		
DOT, federal aviation administration		160,000,000
Special revenue funds:		
Local aeronautics match		42,789,600
Combined comprehensive transportation bond proceeds fund - aeronautics		12,000,000
State aeronautics fund		2,000,000
State general fund/general purpose	$	0

Sec. 108. STATE BUILDING AUTHORITY FINANCED CONSTRUCTION PROJECTS

Department of corrections - Kinross correctional facility - new power plant - authorized for planning in 1999 PA 265, for design and construction (total authorized cost $6,000,000; state building authority share $5,999,900; state general fund share $100)	$	100
Department of corrections - Riverside correctional facility - power plant automation project - authorized for planning in 1999 PA 265, for design and construction (total authorized cost $3,000,000; state building authority share $2,999,900; state general fund share $100)		100
GROSS APPROPRIATION	$	200
Appropriated from:		
State general fund/general purpose	$	200

Sec. 109. STATE BUILDING AUTHORITY RENT

State building authority rent - state agencies	$	71,207,200
State building authority rent - department of corrections		85,105,100
State building authority rent - universities		111,547,200
State building authority rent - community colleges		15,142,600
GROSS APPROPRIATION	$	283,002,100
Appropriated from:		
Special revenue funds:		
Grand tower facility reimbursement		1,905,000
State lottery funds		1,520,000
Roosevelt parking facility reimbursement		275,000
State general fund/general purpose	$	279,302,100

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 2003-2004 is $323,622,300.00 and state spending from state resources paid to units of local government for fiscal year 2003-2004 is $20,060,000.00. 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	$	4,300,000
Department of natural resources - waterways		1,760,000
State transportation department - state aeronautics program		14,000,000
TOTAL	$	20,060,000

(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:

(a) "ADA" means the Americans with disabilities act.

(b) "Board" means the state administrative board.

(c) "Community college" does not include a state agency or university.

(d) "Department" means the department of management and budget.

(e) "Director" means the director of the department of management and budget.

(f) "DAG" means the United States department of agriculture.

(g) "DOD" means the United States department of defense.

(h) "DOI" means the United States department of interior.

(i) "DOT" means the United States department of transportation.

(j) "Fiscal agencies" means the senate fiscal agency and the house fiscal agency.

(k) "HHS-HCFA" means the United States department of health and human services, health care financing administration.

(*l*) "ICF/MR" means intermediate care facilities for the mentally retarded.

(m) "IDG" means interdepartmental grant.

(n) "JCOS" means the joint capital outlay subcommittee of the appropriations committees.

(o) "MDOT" means the Michigan department of transportation.

(p) "MIOSHA" means the Michigan occupational safety and health act, 1974 PA 154, MCL 408.1001 to 408.1094.

(q) "Self-liquidating project" means a project constructed by a community college or university with money raised through the use of a debt instrument or other fund sources including, but not limited to, gifts, grants, federal funds, or institutional sources, that is expected to generate revenues to amortize the loan. A self-liquidating project may or may not be a self-supporting project. Examples of a self-liquidating project include dormitories, parking facilities, and stadia.

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

(s) "SEMCOG" means the southeast Michigan council of governments.

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

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

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

(w) "Utility system" means a utility supply or distribution system, or a combination utility supply and distribution system.

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

Sec. 208. Unless otherwise specified, departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

DEPARTMENT OF AGRICULTURE

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

DEPARTMENT OF CORRECTIONS

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

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

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

Sec. 303. From the amounts appropriated in part 1, no money shall be used for the expansion of either the Scott correctional facility or the western Wayne correctional facility.

CAPITAL OUTLAY PROCESSES, PROCEDURES, AND REPORTS

Sec. 401. Each capital outlay project authorized in this act or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594. Capital outlay projects shall not be funded from operating accounts unless approved by the department and the JCOS.

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

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

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

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

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

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

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

(2) Before the end of each fiscal year, the department shall report to the JCOS and the fiscal agencies for each capital outlay project other than lump sums all of the following:

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

(b) The balance remaining in each account.

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

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

(e) The appropriations history for the project.

(f) The professional service contractor.

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

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

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

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

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

(b) Whether a program statement is approved.

(c) Whether schematics are approved by the department.

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

(e) The name of the professional service contractor.

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

Sec. 405. (1) If a capital outlay appropriation is contained in a public act that was not reviewed by the JCOS during the legislative process, the director shall notify the JCOS of an expenditure of that capital outlay appropriation not less than 60 days before the expenditure.

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

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

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

(a) The state.

(b) The private sector.

(c) A combination of the state and the private sector.

(d) A lease agreement.

(2) If the department’s recommendation for financing is inconsistent with the findings of the comparative cost analysis, the department shall present written documentation to the JCOS outlining the rationale for the recommendation.

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

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

USE AND FINANCE STATEMENTS

Sec. 501. (1) A university or community college shall not let a contract for new construction of a nonstate-funded project estimated to cost more than $1,000,000.00 unless the project is authorized by the JCOS through approval of a use and financing statement defined by a policy adopted by the JCOS. The request for legislative authorization shall be initially submitted for review to the JCOS and the department. The use and financing statement for a nonstate-funded project shall contain the estimated total construction cost and all associated estimated operating costs including a statement of anticipated project revenues. As used in this section, “new construction” includes land or property acquisition, remodeling and additions, and maintenance projects.

(2) A project that is constructed in violation of this section shall not receive state appropriations for purposes of operating the project, or support for future infrastructure enhancements that are necessitated, in part or in total, by construction of the project.

(3) A state agency, including the department of military affairs, shall not let a contract, including those for a direct federally-funded capital outlay construction or major maintenance or remodeling project if the total project is estimated

to cost more than $1,000,000.00 and is to be constructed on state-owned lands, unless the project is approved by the department and by the JCOS through approval of a use and financing statement defined by a policy adopted by the JCOS. For projects over $1,000,000.00, the state agency shall submit a use and financing statement as required for community colleges and universities in subsection (1). As used in this subsection, "direct federally-funded" refers to a project for which federal payments are made directly to the construction vendor and not to the state of Michigan.

(4) A public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund shall not let a contract for new construction estimated to cost more than $1,000,000.00 unless the project is authorized by the JCOS through the approval of a use and financing statement defined by a policy adopted by the JCOS. For purposes of this subsection, the use and financing statement for a project shall contain the estimated total construction cost and all associated estimated operating costs. As used in this subsection, "new construction" means land or property acquisition, remodeling or additions, lease or lease purchase, and maintenance projects for the corporate office of the public body corporate described in this subsection.

LUMP SUMS AND SPECIAL MAINTENANCE

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

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

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

Sec. 602. (1) The department may expend from the lump-sum special maintenance account amounts necessary to demolish any building that is specifically authorized by law to be demolished.

(2) Before the end of each fiscal year, each state agency, community college, and university shall report each year to the department the status of and planned schedule for demolition projects already authorized but not yet started, the estimated cost of the projects, and the anticipated sources of financing of the projects.

Sec. 603. Pursuant to department policy, state agencies may expend not more than $600,000.00 from their operating budget for special maintenance, remodeling, additions, or other capital outlay purposes, unless specifically authorized by the legislature.

STATE BUILDING AUTHORITY

Sec. 701. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2004 an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for a fiscal year ending September 30, 2004. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

(2) Upon sale of bonds or notes for the projects identified in part 1 or for equipment as authorized by legislative concurrent resolution and in this section, the state building authority shall credit the general fund of the state an amount equal to that expended from the general fund plus interest, if any, as defined in this section.

(3) For state building authority projects for which bonds or notes have been issued and upon the request of the state building authority, the state treasurer shall make advances without interest from the general fund as necessary to meet cash flow requirements for the projects, which advances shall be reimbursed by the state building authority when the investments earmarked for the financing of the projects mature.

(4) In the event that a project identified in part 1 is terminated after final design is complete, advances made on behalf of the state building authority for the costs of final design shall be repaid to the general fund in a manner recommended by the director and approved by the JCOS.

Sec. 702. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

(2) As used in this section, "revenue" includes state appropriations, facility opening money, other state aid, indirect cost reimbursement, and other revenue generated by the activities of the facility.

Sec. 703. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

(2) If the amount appropriated in part 1 for state building authority rent is not sufficient to pay the rent obligations and insurance premiums and deductibles identified in subsection (1) for state building authority projects, there is appropriated from the general fund of the state the amount necessary to pay such obligations.

Sec. 704. The department shall provide the JCOS and the fiscal agencies a report, not more than 15 days after the reporting date, relative to the status of construction projects associated with state building authority bonds on March 31 and September 30 of each year, or not more than 30 days after a refinancing or restructuring bond issue is sold. The report shall include, but is not limited to, the following:

(a) A list of all completed construction projects for which state building authority bonds have been sold, and which bonds are currently active.

(b) A list of all projects under construction for which sale of state building authority bonds are pending.

(c) A list of all projects authorized for construction or identified in an appropriations act for which approval of schematic/preliminary plans or total authorized cost is pending that have state building authority bonds identified as a source of financing.

COLLEGES AND UNIVERSITIES

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

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

(3) An expenditure under this act is authorized when the release of the appropriation is approved by the board upon the recommendation of the director. The director may recommend to the board the release of any appropriation in part 1 only after the director is assured that the legal entity operating the community college to which the appropriation is made has complied with this act and has matched the amounts appropriated as required by this act. A release of funds in part 1 shall not exceed 50% of the total cost of planning and construction of any project, not including lump-sum remodeling and additions and special maintenance, unless otherwise appropriated by the legislature. Further planning and construction of a project authorized by this act or applicable sections of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, shall be in accordance with the purpose and scope as defined and delineated in the approved program statements and planning documents. This act is applicable to all projects for which planning appropriations were made in previous acts.

(4) The community college shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this act if an application was not previously made. If there is a reasonable expectation that a prior year unfunded application may receive federal money in a subsequent year, the college shall

take whatever action necessary to keep the application active. If federal money is received, the state share shall be adjusted accordingly as provided by this act.

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

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

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

Sec. 805. The total project cost for the University of Michigan - Ann Arbor, central campus renovations phase II project authorized in 1996 PA 480, and adjusted in 1999 PA 137, is increased from $86,000,000.00 to $88,000,000.00. The state building authority share remains $59,249,900.00; the state general fund/general purpose share remains $100.00; and the university share is increased from $26,750,000.00 to $28,750,000.00.

Sec. 806. The project planning authorization provided in 1999 PA 265 to Glen Oaks Community College for its applied science/technology center project is extended through September 30, 2005.

Sec. 807. For the Lake Superior State University arts classroom building project authorized for construction by 2000 PA 291, the project's financing is adjusted as follows: the total authorized cost remains $15,300,000.00; the state building authority share is increased from $7,999,800.00 to $11,474,800.00; the state general fund share remains $200.00; and the university share is reduced from $7,300,000.00 to $3,825,000.00.

Sec. 808. The total project cost for the Washtenaw Community College, plumbers and pipefitters building project authorized in 2002 PA 530 is increased from $4,000,000.00 to $4,741,000.00. The state building authority share remains $1,999,800.00; the state general fund/general purpose share remains $200.00; and the college share is increased from $2,000,000.00 to $2,741,000.00.

DEPARTMENT OF MANAGEMENT AND BUDGET

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

(a) Department.

(b) Agency division and leased number.

(c) Building location (address and city).

(d) Type of building.

(e) County.

(f) Name and address of lessor.

(g) Square footage and net square footage rate.

(h) Monthly and annual cost.

(i) Date lease started and expires.

(j) Options and services.

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

Sec. 902. The department of history, arts, and libraries shall work cooperatively with the department to pursue plans to store and preserve Michigan's artifacts in a manner so as to secure American association of museums accreditation for the Michigan historical museum and the Michigan State University museum to create a central resource for the proper preservation and restoration of important collections and to secure increased federal revenue.

DEPARTMENT OF NATURAL RESOURCES

Sec. 1001. The appropriation made in this act for the harbors and docks program is for the purpose of participating with the federal government and assisting political entities and subdivisions of this state in the construction and improvement of recreational boating facilities within this state. Subject to the approval of the board, this money shall be allocated by the department of natural resources to the federal government, or to the political entities or local units of government involved in the particular projects. An allocation shall not exceed the state portion as listed with each project description. The department of natural resources shall take the steps necessary to match federal money available for the construction and improvement of recreational boating facilities within this state, and to meet requirements of the federal government.

Sec. 1002. (1) Before the end of each fiscal year, the department of natural resources shall report each year to the JCOS the status of each project that received an appropriation in any capital outlay act, if the project is either not completed or has a balance remaining in its account. The report shall be in the same form and contain the information as required under section 404. The report shall be separated into the following areas, by fund sources:

(a) Waterways projects.

(b) Urban recreation projects.

(c) State park projects.

(d) Wildlife and fisheries projects.

(e) Other projects.

(2) A project request for reauthorization by the department of natural resources shall also be identified within the report required by subsection (1). These reauthorization requests shall identify the subsection number of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248, that provides the reason and justification for the requested reauthorization.

(3) A project shall be reauthorized if approved by the JCOS after review by the department.

Sec. 1003. The department of natural resources may transfer $1,000,000.00 from the harbor development fund to the state waterways fund for the purposes appropriated in part 1 of this act.

STATE TRANSPORTATION DEPARTMENT

Sec. 1101. (1) From federal-state-local project appropriations contained in part 1 for the purpose of assisting political entities and subdivisions of this state in the construction and improvement of publicly used airports and landing fields within this state, the state transportation department may permit the award of contracts on behalf of units of local government for the authorized locations not to exceed the indicated amounts, of which the state allocated portion shall not exceed the amount appropriated in part 1.

(2) Political entities and subdivisions shall provide not less than 5% of the cost of any project under this section. State money shall not be allocated until local money is allocated. State money for any 1 project shall not exceed 1/3 of the total appropriation in part 1 from state funds for airport improvement programs.

(3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state, and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is authorized in this act and the project application is approved by the governing body of each political subdivision or public agency making the application, and by the Michigan aeronautics commission.

(4) From the appropriations contained in part 1 for airport improvement programs, no funds shall be allocated for any runway extensions, taxiway extensions, or apron extensions at the Detroit-Willow Run airport. Further, it is the intent of the legislature that no state funds shall be expended to improve or repair the airport where the purpose of the improvement or repair is to expand the usage of the airport including, but not limited to, anything approximating a tradeport as that term is defined in the former international tradeport development authority act, former 1994 PA 325.

Sec. 1102. Before the end of each fiscal year, the state transportation department shall report to the JCOS the status of projects funded in part 1 with the estimated dollars allocated for each project. If there has to be a delay in reporting, the state transportation department shall notify JCOS in writing of the date the report will be received.

Sec. 1104. (1) A planning project or construction project appropriated for the airport program shall be made available for no more than 2 fiscal years following the fiscal year in which the original appropriation was made.

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

Sec. 1105. (1) The following department of transportation design and construction projects are canceled:

(a) A total of $800,000.00 appropriated in 2001 PA 45 for a new project office in Brighton.

(b) A total of $1,000,000.00 appropriated in 2002 PA 518 for a new Grayling transportation service center.

(2) Total project cost authorizations for each of the projects canceled in subsection (1) are reappropriated in part 1.

MISCELLANEOUS

Sec. 1201. (1) Revenue collected from licenses issued under the antenna site management project shall be deposited into the antenna site management revolving fund created for this purpose in the department of management and budget. The department may receive and expend funds from the fund for costs associated with the antenna site management project, including the cost of the third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year shall be proportionately transferred to the appropriate state restricted funds as designated in statute or by constitution.

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

Sec. 1202. (1) A site preparation economic development fund is hereby created in the department of management and budget. As used in this section, "economic development sites" means those state-owned sites declared as surplus property pursuant to section 251 of the management and budget act, 1984 PA 431, MCL 18.1251, that would provide economic benefit to the area or to the state. The Michigan economic development corporation board and the state budget director shall determine whether or not a specific state-owned site qualifies for inclusion in the fund created under this subsection.

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

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

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

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

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

MILITARY AFFAIRS

Sec. 1301. The appropriations in part 1 for department of military and veterans' affairs design and construction projects are contingent upon the availability of federal and state restricted funds for financing.

REPEALERS

Sec. 1404. Sections 152, 1301, 1302, 1303, and 1304 of 2003 PA 173 are repealed.

This act is ordered to take immediate effect.

Gary L Randall

Clerk of the House of Representatives

Carol Morey Viventi

Secretary of the Senate

Approved ____________________

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Governor