



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 48 (Substitute S-4 as reported)
Sponsor: Senator Shirley Johnson
Committee: Appropriations

CONTENT

The bill would amend the State Building Authority (SBA) Act to allow the SBA to finance property that consists of furnishings, hardware, and other types of equipment that are for the interconnection of noncommercial television and radio broadcasting stations with other noncommercial television and radio broadcasting stations and one-way digital broadcasting. Financing could not be used for furnishings, hardware, or other equipment used to construct, own, or operate a cable television system or a broadband internet access transport service.

MCL 830.417

FISCAL IMPACT

The impact on State Building Authority rent payments would depend on the extent to which the State increased its commitments. The current bonding cap is \$2.7 billion. The State is currently under the cap by approximately \$100 million. (This calculation includes an estimate for the FY 2006-07 Capital Outlay budget.) If the State limited future commitments for buildings due to new obligations incurred for telecommunication equipment, there would be no net impact. If the bond cap were increased, and building commitments were not limited, the State would incur additional SBA rent (debt service costs).

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