

SENATE BILL No. 48

January 25, 2005, Introduced by Senator JOHNSON and referred to the Committee on Appropriations.

A bill to amend 1964 PA 183, entitled

"An act creating the state building authority with power to acquire, construct, furnish, equip, own, improve, enlarge, operate, mortgage, and maintain facilities for the use of the state or any of its agencies; to act as a developer or co-owner of facilities as a condominium project for the use of the state or any of its agencies; to authorize the execution of leases pertaining to those facilities by the building authority with the state or any of its agencies; to authorize the payment of true rentals by the state; to provide for the issuance of revenue obligations by the building authority to be paid from the true rentals to be paid by the state and other resources and security provided for and pledged by the building authority; to authorize the creation of funds; to authorize the conveyance of lands by the state or any of its agencies for the purposes authorized in this act; to authorize the appointment of a trustee for bondholders; to permit remedies for the benefit of parties in interest; to provide for other powers and duties of the authority; and to provide for other matters in relation to the authority and its obligations,"

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

1 be paid by the state to the building authority or its assignee
2 required by any lease under this act. If the lease is for an
3 institution of higher education, then in addition, the lease shall
4 be authorized by the institution of higher education and signed by
5 its authorized officers.

6 (3) The state ~~, except institutions of higher education,~~ may
7 lease from the building authority property that is comprised only
8 of furnishings or equipment if all of the following requirements
9 are met:

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

24 (b) A lease that is only for furnishings or equipment shall be
25 executed only if the furnishings or equipment are for use by a
26 state agency as determined under the management and budget act,
27 ~~Act No. 431 of the Public Acts of 1984, being sections 18.1101 to~~

1 ~~18.1594 of the Michigan Compiled Laws~~ 1984 PA 431, MCL 18.1101 TO
2 18.1594, OR FOR USE BY AN INSTITUTION OF HIGHER EDUCATION.

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