

Legislative Analysis



CAPITOL PUBLIC IMPROVEMENT FUND

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House Bills 4609 and 4610 (Substitutes H-1)

Sponsor: Rep. Steve Bieda

Committee: Government Operations

Complete to 6-20-07

A SUMMARY OF HOUSE BILLS 4609 & 4610 AS REPORTED FROM COMMITTEE

House Bill 4609 would amend the Legislative Council Act (MCL 4.1101, et. al) to create a Capitol Public Improvement Fund within the state treasury. The act would allow the state treasurer to receive money from any source for deposit in the Fund and require the treasurer to do the following: credit all monies received under the Management and Budget Act, direct the investment of the Fund, and credit interest and earnings from fund investments into the Fund. Money in the Fund at the close of a fiscal year would remain in the Fund and not lapse to the General Fund.

The Michigan Capitol Committee would expend Fund money, upon appropriation, only for Capitol staff training and improvement projects for which other sources of funding do not exist. The committee could only provide funding for projects that are submitted by a member of the House of Representatives, the Senate, the director of the Legislative Council Facilities Agency, or the executive director of the Michigan Capitol Committee.

House Bill 4610 would amend Section 442 of the Management and Budget Act (MCL 18.1442) to provide that 50 percent of funds lapsed by an entity within the legislative branch at the end of the fiscal year would be transferred to and deposited into the Capitol Public Improvement Fund created in Legislative Council Act.

The bills are tie-barred to each other, meaning neither can take effect unless both are enacted.

BACKGROUND INFORMATION:

According to committee testimony, the cost to restore Michigan's Capitol was \$58 million dollars. When restoration was completed in 1992, the Capitol acquired National Historic Landmark status. With only 2,000 designated National Historic landmarks in the country—most do not include structures—it is a rare honor for Michigan's Capitol to achieve this designation. Initially dedicated in 1879, the Capitol requires special restoration techniques to preserve and protect the restoration efforts undertaken between 1989 and 1992. Maintenance and preservation is the key to avoiding another costly restoration project. It is suggested that a "rainy day fund" be established for future maintenance and preservation expenses. Legislation has been introduced to address this issue.

FISCAL IMPACT:

HB 4609 - There would be no costs to the state or to local units of government. The state could realize additional revenue as the bill would authorize the State Treasurer to receive money from any source for deposit into the Fund.

HB 4610 - There would be no costs to the state or to local units of government. The bill would provide that 50 percent of funds lapsed by entities within the Legislative branch, at the end of the fiscal year, be transferred and deposited into the Fund. The lapsed amount ranges between \$50,000 and \$500,000 per fiscal year.

POSITIONS:

A representative of the Michigan Capitol Committee testified in support of the bills. (6-19-07)

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