

STATE CAPITOL HISTORIC SITE AMENDMENTS

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House Bill 6047 (reported as H-1)
Sponsor: Rep. John Kivela

Analysis available at
<http://www.legislature.mi.gov>

House Bill 6048 (reported without amendment)
Sponsor: Rep. Edward McBroom

Committee: Oversight and Ethics
Complete to 12-5-16

SUMMARY:

Both of the bills would amend the Michigan State Capitol Historic Site Act, to provide for the acquisition and construction of new facilities and for sources of financing for new facilities and for improvements to the State Capitol building.

The State Capitol Historic Site Act was created in 2013 to establish the Michigan State Capitol Historic Site and create the Michigan State Capitol Commission, which has the responsibility for operating and managing the historic site; maintaining and restoring the Capitol building; and maintaining and improving the grounds of the historic site.

House Bill 6047 would amend Section 6 of the act, which describes the responsibilities of the commission, to do the following:

- Grant the commission the authority to acquire and construct any new facility within the Michigan State Capitol Historic Site.
- Allow the State Administrative Board, at the request of the commission, to convey to the Michigan Strategic Fund (MSF) property under the control of the commission, or an interest in that property, for the purpose of financing repairs and improvements within the site related to mechanical, electrical, fire suppression, sewer, and plumbing systems. However, the commission could not convey the property on which the State Capitol building resides or the Capitol building itself.
- Permit the commission to enter into a lease with the financing entity to be paid from funds appropriated to the commission. Such a lease would have to provide for the conveyance to the state of the leased property after the payment of all lease obligations. Further, the commission could enter into an easement, right of entry, or any other agreement necessary to allow for the construction and use of the historic site.
- Allow the commission, after the financing described above has been secured, to agree to the financing of any other improvements or the construction of new facilities with the historic site that are integrally connected to a project being

financed. The cost of such improvements or new facilities could be included as part of the financing undertaken by the MSF and be repaid by lease payments.

- Allow the MSF to issue bonds related to the site for the purposes in the bill.
- Add "repair, renovate, and improve" the State Capitol building (in addition to "maintain and restore") to the commission's tasks, and make those duties also apply to "any other facilities" within the historic site; and add "repair, restore, and renovate" the grounds of the site (in addition to the current "maintain and improve").

House Bill 6048 would amend Section 4 of the historic site act to rewrite the description of the historic site, notably to add "any other facilities" contained within the site's geographic area. The description under the bill would read:

The Michigan State Capitol Historic Site consists of the geographic area bounded by Ottawa Street on the north, Allegan Street on the south, Capitol Avenue on the east, and Walnut Street on the west, in Lansing, and includes the State Capitol building, any other facilities within this geographic area, and the grounds of the State Capitol building.

MCL 4.1944 & 1946

FISCAL IMPACT:

The bills would authorize the Michigan State Capitol Commission to undertake capital construction, acquisition, and improvement projects that exceed its current statutory authority. Approval of any construction, acquisition, or improvement projects would be subject to authorized legislative appropriations to finance the project(s) and a financing agreement with the Michigan Strategic Fund (MSF) if the Commission chose to pursue MSF assistance. The MSF would be authorized to issue bonds to finance a new facility or improvements to the State Capitol Building.

Under current law (MCL 205.432), the Michigan State Capitol Historic State Fund annually receives \$3.0 million from the tax imposed on cigarettes, adjusted annually for inflation, for expenditure by the Michigan State Capitol Commission for its purposes outlined in statute. These funds are subject to annual appropriation by the legislature in the General Government appropriation act.

BACKGROUND:

Information about the proposed projects can be found at:
<http://capitol.michigan.gov/Restoration/>

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.