

**THE MANAGEMENT AND BUDGET ACT (EXCERPT)**  
**Act 431 of 1984**

**18.1248 Applicability of section; capital outlay project; carrying forward prior authorized projects; continuation or lapse of balance; termination of project; continuation of project beyond limits in section; conditions; carrying forward grant or grant-in-aid.**

Sec. 248. (1) This section applies to all state agency, community college, and university capital outlay projects appropriated in any budget act. Projects authorized prior to the amendatory act that added this sentence shall be carried forward consistent with the provisions of this section in effect prior to the date of the amendatory act that added this sentence.

(2) Appropriations made in any budget act for a planning project shall not lapse to the fund from which appropriated at the end of the fiscal year, but shall continue until the purposes for which the sums were appropriated are completed. However, planning authorization for each project which has not been authorized for final design and construction in an appropriation act shall be terminated 24 months after the last day of the fiscal year in which the authorization was originally made, unless the project is specifically reauthorized in a budget act. The termination of authorization in the immediately preceding sentence does not apply if program and schematic planning documents are submitted by community colleges and universities within the time frame specified in the immediately preceding sentence.

(3) Appropriations made in any budget act for final design and construction shall not lapse to the fund from which they are appropriated at the end of the fiscal year, but shall continue until the purposes for which the sums were appropriated are completed. However, final design and construction authorization for each project where construction has not commenced shall be terminated 36 months after the last day of the fiscal year in which the authorization was originally made, unless the project is specifically reauthorized in a budget act.

(4) A capital outlay project may be continued beyond the limitations contained in this section if 1 or more of the following conditions apply:

(a) A bid for the start of construction of the project is awarded or construction of the project has commenced.

(b) A capital outlay project for the purchase of property in which a contract is entered into, but the acquisition is not completed. Only the amount necessary to complete the purchase of property pursuant to the contract shall be carried forward.

(c) A federal grant award is pending release.

(d) The project is subject to legal action, the balance shall lapse 30 days after the legal action is settled, or 30 days after a final order is entered, whichever is later.

(e) The unobligated balance of the appropriations for the project may continue for 12 months after a project is substantially completed.

(f) Not later than 45 days after the conclusion of the fiscal year, the director shall notify the JCOS and the fiscal agencies of planning and construction authorizations that will continue beyond limitations specified under this section.

(5) An unexpended balance which is to lapse pursuant to this section shall lapse to the fund from which the appropriation is made.

(6) A grant or grant-in-aid appropriated for the demolition, acquisition, construction, repair, or maintenance of capital assets shall not be reduced, adjusted, delayed, impounded, lapsed, or otherwise altered by the director for any purpose without legislative approval and shall be carried forward until the work is completed or for 36 months after the last day of the fiscal year in which the construction appropriation was originally made, whichever comes first.

**History:** 1984, Act 431, Eff. Mar. 29, 1985;—Am. 1999, Act 8, Imd. Eff. Mar. 22, 1999;—Am. 2012, Act 430, Imd. Eff. Dec. 21, 2012.

**Popular name:** Act 431

**Popular name:** DMB