

STATE BUILDING AUTHORITY (EXCERPT)
Act 183 of 1964

830.417 Lease of facilities from authority; approval; payment of true rental; leasing of furnishings or equipment; lease for capital maintenance improvements.

Sec. 7. (1) The state may lease facilities from the building authority for public purposes within the concepts provided in this act, upon terms and conditions agreed upon and subject to the limitations and provisions provided in section 6. Before execution, a lease shall be approved by the state administrative board and, except as provided in subsections (3) and (4), as provided in an appropriations act. The lease as approved by the building authority and the administrative board, and if required, the legislature or an institution of higher education, may provide for a determinable true rental as a range as permitted under section 1(e).

(2) If a lease is approved containing a true rental stated as a range, then actual rental to be paid under the lease shall be fixed at an amount certified by the appraiser and, after the certification, shall be approved by the state administrative board and the building authority. The appraiser shall not certify, and the board and authority shall not approve, a true rental amount unless the amount is fixed within or below the stated range. A lease shall not be executed more than 5 years after its approval by the legislature. The state shall pay to the building authority or its assignee the true rental at the times, in the manner, and at the place specified in the lease. The governor and the budget director shall include in the annual budget of the state for each year an amount fully sufficient to pay the true rental required to be paid by the state to the building authority or its assignee required by any lease under this act. If the lease is for an institution of higher education, then in addition, the lease shall be authorized by the institution of higher education and signed by its authorized officers.

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

(a) Before a lease that is only for furnishings or equipment is executed, the general form of the lease shall be approved as provided in an appropriations act. The form of the lease approved by the legislature need not contain a description of the property to be leased or the rental or a rental range. However, before the state executes the lease, the description of the property to be leased and the rental shall be approved by the state administrative board as provided in subsection (2). The appropriations act approving the form of lease shall also approve a maximum amount of furnishings and equipment that may be leased. A lease that is only for furnishings or equipment shall not be executed more than 4 years after its approval by the legislature.

(b) A lease that is only for furnishings or equipment shall be executed only if the furnishings or equipment are for use by a state agency as determined under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

(4) Through September 30, 2007, an institution of higher education, this state, and the building authority may enter into a lease for capital maintenance improvements if, before a lease that is only for capital maintenance improvements is executed, the general form of the lease is approved by concurrent resolution of the legislature concurred in by a majority of the members elected to and serving in each house. The form of the lease approved by the legislature need not contain a description of the capital maintenance improvements to be leased or the rental or a rental range. However, before this state executes the lease, the description of the capital maintenance improvements to be leased and the rental shall be approved by the state administrative board.

(5) The building authority shall retain title to capital maintenance improvements during the term of a lease approved under subsection (4). The building authority shall not be required to have any ownership interest in the structure to which a capital maintenance improvement is made. Title to the capital maintenance improvement shall be evidenced by a bill of sale.

(6) The actual rental to be paid under a lease approved under subsection (4) for a capital maintenance improvement shall be determined by an appraiser or by an alternate method and, after the determination, shall be approved by the state administrative board and the building authority. The state administrative board shall approve any alternate method for determining actual rental, and an alternate method may include a determination by a person or business that is in the business of providing capital maintenance improvements to institutions of higher education.

(7) The state shall pay to the building authority or its assignee the true rental at the times, in the manner, and at the place specified in the lease approved under subsection (4). The governor and the budget director shall include in the annual budget of the state for each year an amount fully sufficient to pay the true rental required to be paid by this state to the building authority or its assignee required by any lease under this act.

History: 1964, Act 183, Imd. Eff. May 19, 1964;—Am. 1976, Act 240, Eff. Mar. 31, 1977;—Am. 1981, Act 183, Imd. Eff. Dec. 23, 1981;—Am. 1988, Act 248, Imd. Eff. July 11, 1988;—Am. 1994, Act 252, Imd. Eff. July 5, 1994;—Am. 2005, Act 67, Imd. Eff. July 7, 2005. Rendered Monday, July 7, 2025

2005;—Am. 2012, Act 519, Imd. Eff. Dec. 28, 2012.

Compiler's note: For transfer of state building authority from department of technology, management, and budget to department of treasury, see E.R.O. No. 2013-3, compiled at MCL 125.1393.