

CHAPTER 17. STATE ADMINISTRATIVE BOARD

STATE ADMINISTRATIVE BOARD

Act 2 of 1921

AN ACT to promote the efficiency of the government of the state, to create a state administrative board, to define the powers and duties thereof, to provide for the transfer to said board of powers and duties now vested by law in other boards, commissions, departments and officers of the state, and for the abolishing of certain of the boards, commissions, departments and offices, whose powers and duties are hereby transferred.

History: 1921, Act 2, Imd. Eff. Feb. 23, 1921.

The People of the State of Michigan enact:

17.1 State administrative board; membership; powers and duties.

Sec. 1. There is hereby created a board to be known and designated as the state administrative board of the state of Michigan. The state administrative board shall be composed of the governor, who shall act as chairperson, the lieutenant-governor, the secretary of state, the state treasurer, the attorney general, the director of the state transportation department, and the superintendent of public instruction, and shall possess the powers and perform the duties provided in this act.

History: 1921, Act 2, Imd. Eff. Feb. 23, 1921;—CL 1929, 201;—Am. 1939, Act 296, Eff. Sept. 29, 1939;—CL 1948, 17.1;—Am. 2002, Act 369, Imd. Eff. May 24, 2002.

Transfer of powers: See MCL 16.208.

17.2 State administrative board; procedure, meetings, and conduct of business; conducting business at public meeting; notice of meeting; quorum; actions of board; governor's veto; implementation of orders; compensation and expenses.

Sec. 2. (1) The board may adopt rules governing its procedure, provide for the calling and holding of regular and special meetings, and provide for the general conduct of its business and affairs. The business which the board may perform shall be conducted at a public meeting of the board held in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976. Four members shall constitute a quorum for the transaction of business, but a smaller number may adjourn. An action of the board shall require a concurring vote of a majority of the board, and shall be final, subject to the governor's veto, unless reconsidered or rescinded at a subsequent meeting of the board at which there shall be present as many members as were present when the original vote was taken.

(2) The governor may veto an action of the board within 10 days after its passage. By a concurring vote of 5 members of the board, taken within 10 days after the exercise of a veto, the veto of the governor may be overruled.

(3) The board shall direct the manner in which orders made by it shall be implemented, and may employ and fix the compensation of agents and assistants necessary to carry out duties imposed by this act. The compensation of all employees of the board shall be paid from the state treasury in the same manner as the compensation of other state employees is paid.

(4) Expenses necessarily incurred by a member of the board or by a board employee while traveling in the performance of an official duty imposed by this act shall be paid in the same manner as are the expenses incurred by other state officers and employees.

History: 1921, Act 2, Imd. Eff. Feb. 23, 1921;—Am. 1927, Act 12, Imd. Eff. Mar. 25, 1927;—CL 1929, 202;—CL 1948, 17.2;—Am. 1967, Act 133, Imd. Eff. June 27, 1967;—Am. 1977, Act 154, Imd. Eff. Nov. 7, 1977.

17.2a State administrative board; powers and duties relating to renaissance zones.

Sec. 2a. The state administrative board shall have the powers granted and perform the duties imposed under the Michigan renaissance zone act.

History: Add. 1996, Act 443, Imd. Eff. Dec. 19, 1996.

17.2b Powers and duties under Michigan strategic fund act; employment of chief compliance officer; review of reports; powers and duties under Michigan tobacco settlement finance authority act.

Sec. 2b. (1) The state administrative board shall also have the powers granted and perform the duties imposed under section 88i of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088i.

(2) The state administrative board shall employ the chief compliance officer described in section 88i of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088i, as authorized by section 2.

(3) The state administrative board shall review all reports described in section 88i of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088i, submitted to the state administrative board by the chief compliance officer under section 88i of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088i.

(4) The state administrative board also shall have the powers granted and perform the duties described under section 8 of the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.268.

History: Add. 2006, Act 474, Imd. Eff. Dec. 20, 2006.

17.3 Administrative board; supervisory control over administrative departments; limitations as to appropriations and inter-transfers; duties of administrative officials.

Sec. 3. (1) The state administrative board shall exercise general supervisory control over the functions and activities of all administrative departments, boards, commissioners, and officers of the state, and of all state institutions.

(2) Except as provided in subsection (5), the state administrative board shall not have power to transfer any appropriation to the general fund at any time or use the same for any purpose other than that designated by the legislature.

(3) The state administrative board shall not have power to allow to any state department, board, commission, officer, or institution any funds, not appropriated therefor by the legislature, from any source whatever, except as provided in the emergency appropriation act of 1931.

(4) Except as provided in subsection (5), the state administrative board shall not have the power to transfer to any state department, board, commission, officer, or institution any sum from the amount appropriated by the legislature for any other purpose.

(5) Subject to subsection (6), the state administrative board may inter-transfer funds within the appropriation for a particular department, board, commission, officer, or institution. If the inter-transfer of funds could otherwise be accomplished through the transfer process under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, the state administrative board may carry out the inter-transfer only if both of the following requirements have been met:

(a) The state budget director has first requested the approval of or given notice to, as applicable, the senate and house of representatives appropriations committees regarding the inter-transfer of funds under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393.

(b) The request to inter-transfer funds made under subdivision (a) has not been approved by both appropriations committees by whichever of the following dates is the earliest:

(i) Six session days after the request was made.

(ii) Thirty calendar days after the first session day after the request was made.

(6) The state administrative board may not transfer or inter-transfer any funds that are appropriated to or deposited in the strategic outreach and attraction reserve fund created in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254, or that are appropriated or transferred for the critical industry program created in section 88s of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088s, or the Michigan strategic site readiness program created in section 88t of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t.

(7) The state administrative board may in its discretion intervene in any matter touching the functions and activities under this section and may, by resolution or order, advise or direct the department, board, commission, officer, or institution concerned as to the manner in which the function or other activity shall be performed, and may order an interchange or transfer of employees between departments, boards, commissions, and state institutions when necessary. It is hereby made the duty of each and every official and employee connected with any administrative department, office, or institution of the state to follow the direction or order so given; and to perform such services in the carrying out of the purposes and intent of this act as may be required by the board. Failure so to do shall be deemed to constitute malfeasance in office and shall be sufficient cause for removal.

(8) As used in this section, "session day" means a day on which both the senate and the house of representatives convene in session.

History: 1921, Act 2, Imd. Eff. Feb. 23, 1921;—Am. 1927, Act 12, Imd. Eff. Mar. 25, 1927;—CL 1929, 203;—Am. 1931, Act 6, Imd. Eff. Mar. 31, 1931;—CL 1948, 17.3;—Am. 2019, Act 161, Imd. Eff. Dec. 20, 2019;—Am. 2021, Act 143, Imd. Eff. Dec. 27, 2021.

Constitutionality: Individual members of the legislature brought an action challenging the State Administrative Board's authority under MCL 17.3 to transfer appropriated funds from one program to another within a department. The Court of Appeals conferred standing and held that the statutory authority relied upon by the board had been impliedly repealed by subsequent legislative acts. The Michigan Supreme Court agreed that the chairman of the House Appropriations Committee had standing, but reversed the Court of

Appeals decision repealing the State Administrative Board's authority to transfer funds. The Michigan Supreme Court held that neither subsequent amendments to the State Administrative Board Act nor the enactment of the Management and Budget Act indicates an intent by the legislature to repeal by implication the Board's authority under MCL 17.3 to transfer funds within a department. *House Speaker v State Administrative Bd*, 441 Mich 547; 495 NW2d 539(1993).

17.5 Repealed. 1964, Act 256, Eff. Aug. 28, 1964.

Compiler's note: The repealed section vested administrative board with powers and duties granted to state purchasing agent.

17.6 Repealed. 1984, Act 431, Eff. Mar. 29, 1985.

Compiler's note: The repealed section pertained to powers of administrative board.

17.7, 17.8 Repealed. 1964, Act 256, Eff. Aug. 28, 1964.

Compiler's note: The repealed sections provided for payment of expenses of administrative board and abolished certain boards and offices.

17.10 Repealed. 1964, Act 256, Eff. Aug. 28, 1964.

Compiler's note: The repealed sections made declaration of necessity for public peace, health and safety.

17.11 Repealed. 1984, Act 431, Eff. Mar. 29, 1985.

Compiler's note: The repealed section pertained to lieutenant governor as member of administrative board.

EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 2000-8

17.61 Transfer of powers and duties of department of career development to administer Carl D. Perkins vocational and technical education act to the state administrative board by type II transfer.

WHEREAS, Article V, Section 2 of the Constitution of the state of Michigan of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units which he considers necessary for efficient administration; and

WHEREAS, Executive Order No. 1999-12 transferred the day-to-day administrative powers, duties, functions, and responsibilities under the Perkins Act to the Department of Career Development; and

WHEREAS, the purpose of the Carl D. Perkins Vocational and Technical Education Act of 1998, 20 USC 2301 et seq., as amended, ("Perkins Act") is to provide federal funds to fully develop the academic, vocational, and technical skills of secondary students and post-secondary students who elect to enroll in vocational and technical education programs; and

WHEREAS, although the 1998 amendments to the federal Perkins Act intended to provide states more flexibility in assigning Perkins-related administration to an eligible state entity, the United States Department of Education still adheres to the policy that oversight responsibility must be administered by a board; and

WHEREAS, the State Administrative Board was created by Act No. 2 of the Public Acts of 1921, as amended, being Sections 17.1 et seq. of the Michigan Compiled Laws, and is composed of the Governor, Lieutenant Governor, Attorney General, Secretary of State, Superintendent of Public Instruction, and State Treasurer; and

WHEREAS, the State Administrative Board exercises general supervisory control over the functions and activities of all administrative departments, boards, commissioners and officers of the state and its institutions.

NOW, THEREFORE, I, John Engler, Governor of the state of Michigan, pursuant to the powers vested in me by the Constitution of the state of Michigan of 1963 and the laws of the state of Michigan, do hereby order the following:

I. TRANSFER OF FUNCTIONS

All of the administrative statutory powers, duties, functions and responsibilities of the Department of Career Development to administer the Carl D. Perkins Vocational and Technical Education Act, 20 USC 2301 et seq., as amended, are hereby transferred to the State Administrative Board by a Type II transfer, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, being Section 16.103 of the Michigan Compiled Laws.

II. RESPONSIBILITIES

A. The State Administrative Board is hereby designated as the state "eligible agency" for the supervision of the administration of the responsibilities of vocational and technical education pursuant to the Perkins Act.

B. The responsibilities of the State Administrative Board shall include:

1. Coordination of the development, submission, and implementation of the Perkins state plan, and the evaluation of the program, services, and activities assisted under Perkins, including preparation for nontraditional training and employment; and

2. Consultation with the Governor and appropriate agencies, groups, and individuals including parents, students, teachers, representatives of businesses, labor organizations, eligible recipients, state and local officials, and local program administrators, involved in the planning, administration, evaluation, and coordination of programs funded under Perkins; and

3. Convening and meeting at such times as the Board determines necessary to carry out the Board's responsibilities under Perkins, but not less than four times annually; and

4. The adoption of such procedures as the Board considers necessary to:

(a) implement state level coordination with the activities undertaken by the State Board of Education under Section 111 of Public Law 105-220; and

(b) make available to the service delivery system under Section 121 of Public Law 105-220 within the state a listing of all school dropout, postsecondary, and adult programs assisted under Perkins.

C. The Department of Career Development shall retain all other permissible administrative matters of vocational and technical education pursuant to state law and the Perkins Act.

III. IMPLEMENTATION OF THE EXECUTIVE ORDER

A. Nothing in this Executive Order should be construed to diminish the constitutional authority of the State Board of Education to provide leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except as to institutions of higher education granting

baccalaureate degrees, and its authority to serve as the general planning and coordinating body for all public education including higher education, and to advise the legislature as to the financial requirements in connection therewith.

B. The Director of the Department of Career Development and the Chairperson of the State Administrative Board shall provide executive direction and supervision for the implementation of the transferred functions in such ways as to promote efficient administration and shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

C. All records, personnel, property and funds used, held, employed or to be made available to the Department of Career Development for the activities transferred herein are hereby transferred to the State Administrative Board.

D. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system for the remainder of the fiscal year.

E. All rules, orders, contracts, and agreements relating to the assigned functions lawfully adopted prior to the effective date of this Order shall continue to be in effect until revised, amended, or rescinded.

F. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected by this Order shall not abate by reason of the taking effect of this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected by this Order.

G. If a court or other entity with proper jurisdiction finds any portion of this Order to be invalid, such invalidity shall not affect the remaining portions of the Order that can be given effect without the invalid portion. Any portions found invalid shall be severable from the remaining portions of this Order.

In fulfillment of the requirement of Article V, Section 2, of the Constitution of the state of Michigan of 1963, the provisions of this Executive Order shall become effective sixty days (60) from the filing of this Order.

History: 2000, E.R.O. No. 2000-8, Eff. Dec. 31, 2000.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

STATE PURCHASING Act 282 of 1919

17.21-17.38 Repealed. 1964, Act 256, Eff. Aug. 28, 1964;—1984, Act 431, Eff. Mar. 29, 1985.

COST-PLUS CONTRACTS Act 35 of 1921

17.41,17.42 Repealed. 1984, Act 431, Eff. Mar. 29, 1985.

PAYMENTS TO PRIVATE ENTERPRISES

Act 279 of 1984

AN ACT to provide for prompt payment by principal executive departments to private enterprises for goods and services; and to prescribe penalties.

History: 1984, Act 279, Eff. Mar. 29, 1985.

The People of the State of Michigan enact:

17.51 "Private enterprise" defined.

Sec. 1. As used in this act, "private enterprise" means a business which provides goods or services and which is not a governmental entity.

History: 1984, Act 279, Eff. Mar. 29, 1985.

Compiler's note: Former MCL 17.51 to 17.57, pertaining to Michigan mined coal, was repealed by Act 256 of 1964.

17.52 Payment for goods and services by principal executive department; time.

Sec. 2. Unless otherwise agreed in writing, a principal executive department shall take all steps necessary to assure that payment for goods or services is mailed to a private enterprise within 45 days after the principal executive department receives the goods or services, a complete invoice for the goods or services, or a complete contract for goods or services, whichever is later.

History: 1984, Act 279, Eff. Mar. 29, 1985.

Compiler's note: Former MCL 17.51 to 17.57, pertaining to Michigan mined coal, was repealed by Act 256 of 1964.

17.53 Invoice error, defect, or impropriety; notice; payment.

Sec. 3. (1) If an invoice for goods or services received by a principal executive department is filled out incorrectly or contains a defect or impropriety, the principal executive department shall notify the private enterprise which submitted the invoice within 10 days after the invoice is received.

(2) If an invoice error or other defect or impropriety is corrected by a private enterprise within 5 days after receipt of the notice required by subsection (1), the principal executive department shall make payment within the time period required by section 2.

History: 1984, Act 279, Eff. Mar. 29, 1985.

Compiler's note: Former MCL 17.51 to 17.57, pertaining to Michigan mined coal, was repealed by Act 256 of 1964.

17.54 Past due payment.

Sec. 4. (1) Except as provided in section 5, if a payment owed by a principal executive department to a private enterprise for goods or services is past due, the principal executive department shall pay an additional amount equal to 0.75% of the payment to the private enterprise to which payment is due. The principal executive department shall pay an additional amount equal to 0.75% of the payment due for the first month and each succeeding month or portion of a month the payment remains past due.

(2) A principal executive department shall not require a private enterprise to submit a petition, bill, statement, or other additional notice in order to collect an amount due under subsection (1).

History: 1984, Act 279, Eff. Mar. 29, 1985.

Compiler's note: Former MCL 17.51 to 17.57, pertaining to Michigan mined coal, was repealed by Act 256 of 1964.

17.55 Applicability of MCL 17.54.

Sec. 5. (1) Section 4 shall not apply if a payment is delayed because of a good faith disagreement between a principal executive department and a private enterprise, unless the dispute is resolved in favor of the private enterprise.

(2) Section 4 shall not apply if a payment by a principal executive department is past due because of an executive order budget cut.

(3) Section 4 shall not apply if a principal executive department pays a penalty or interest payment charged by a private enterprise for late payment.

History: 1984, Act 279, Eff. Mar. 29, 1985.

Compiler's note: Former MCL 17.51 to 17.57, pertaining to Michigan mined coal, was repealed by Act 256 of 1964.

17.56 Applicability of act.

Sec. 6. This act shall apply only to goods or services which are received and for which a complete invoice is received by a principal executive department after September 30, 1984.

History: 1984, Act 279, Eff. Mar. 29, 1985.

Compiler's note: Former MCL 17.51 to 17.57, pertaining to Michigan mined coal, was repealed by Act 256 of 1964.

17.57 Effective date.

Sec. 7. This act shall take effect September 30, 1984.

History: 1984, Act 279, Eff. Mar. 29, 1985.

Compiler's note: Former MCL 17.51 to 17.57, pertaining to Michigan mined coal, was repealed by Act 256 of 1964.

SEWAGE, LIGHT, WATER, FIRE PROTECTION, OR OTHER FACILITIES
Act 98 of 1929

AN ACT to authorize and empower the state administrative board, the board of regents of the state university, the state board of agriculture, and any municipality, to contract for the furnishing of sewage, light, water, fire protection or other facilities to state institutions, and to authorize said board or boards to grant to municipalities the consent of the state to enter upon state lands for the purpose of constructing and maintaining any sewer, water mains, or other public improvement.

History: 1929, Act 98, Eff. Aug. 28, 1929;—Am. 1937, Act 214, Eff. Oct. 29, 1937.

The People of the State of Michigan enact:

17.71-17.73 Repealed. 1984, Act 431, Eff. Mar. 29, 1985.

Compiler's note: The repealed sections pertained to contract with municipality for improvement to state facility.

17.74 Contract with municipality for sewage disposal, without amendment to charter.

Sec. 4. Any municipality in or near which a state institution may be located shall have authority to contract with the said institution by and through the governing body of that institution or the state administrative board for the disposal of sewage from such institution in a sewage disposal plant owned and operated by the city or to enter into a contract with the governing body of that institution or the state administrative board for the joint construction and operation of a sewage disposal plant, the governing body of such municipality shall have authority to enter into such contract without an amendment to its charter.

History: 1929, Act 98, Eff. Aug. 28, 1929;—CL 1929, 444;—CL 1948, 17.74.

17.75-17.76 Repealed. 1984, Act 431, Eff. Mar. 29, 1985.

Compiler's note: The repealed sections pertained to construction of act and approval of contract with municipality.

LOANS TO ROTARY AND REVOLVING FUNDS
Act 267 of 1931

17.81-17.84 Repealed. 1962, Act 26, Eff. Mar. 28, 1963.

INJURY CLAIMS OF NATIONAL GUARDSMEN
Act 93 of 1929

17.91,17.92 Repealed. 1964, Act 256, Eff. Aug. 28, 1964.

INJURIES TO DRAFTED PERSONS
Act 128 of 1931

17.101-17.103 Repealed. 1984, Act 431, Eff. Mar. 29, 1985.

OATHS AND EXAMINATIONS OF WITNESSES
Act 231 of 1935

17.121,17.122 Repealed. 1984, Act 431, Eff. Mar. 29, 1985.

INJURY CLAIMS OF STATE EMPLOYEES
Act 133 of 1927

17.131 Repealed. 1964, Act 256, Eff. Aug. 28, 1964.

GOVERNMENT SURPLUS PROPERTY
Act 190 of 1945

17.151-17.155 Repealed. 1964, Act 256, Eff. Aug. 28, 1964.

STATE OFFICE BUILDING COMMISSION
Act 263 of 1945

17.201-17.206 Repealed. 1964, Act 256, Eff. Aug. 28, 1964.

STATE OFFICE BUILDING SITE
Act 28 of 1944 (1st Ex. Sess.)

17.221,17.222 Repealed. 1980, Act 180, Imd. Eff. July 2, 1980.

EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 2006-5

17.241 Transfer of duties and responsibilities of local government claims review board to state administrative board; abolishment of local government claims review board.

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the executive branch of state government or in the assignment of functions among its units that the Governor considers necessary for efficient administration;

WHEREAS, the activities of the Local Government Claims Review Board can be more efficiently and effectively administered if transferred to the State Administrative Board;

WHEREAS, there is a continuing need to reorganize functions amongst state departments to ensure efficient administration and effectiveness of government;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law order:

I. DEFINITIONS

As used in this Order:

A. "Local Government Claims Review Board" means the board created under Section 10 of 1979 PA 101, MCL 21.240.

B. "Department of Management and Budget" means the principal department of state government created under Section 121 of The Management and Budget Act, 1984 PA 431, MCL 18.1121.

C. "State Administrative Board" means the board authorized under Section 3 of 1921 PA 2, MCL 17.3, to exercise general supervisory control over the functions and activities of all administrative departments, boards, commissioners, and officers of this state, and of all state institutions.

D. "State Budget Director" means the Director of the State Budget Office created under Section 321 of The Management and Budget Act, 1984 PA 431, MCL 18.1321.

II. TRANSFER OF AUTHORITY

A. All of the authority, powers, duties, functions, and responsibilities of the Local Government Claims Review Board under 1979 PA 101, MCL 21.231 to 21.244, are transferred from the Local Government Claims Review Board to the State Administrative Board.

B. The Local Government Claims Review Board is abolished.

III. IMPLEMENTATION OF TRANSFERS

A. The Director of the Department of Management and Budget shall provide executive direction and supervision for the implementation of all transfers of functions under this Order and shall make internal organizational changes as necessary to complete the transfers under this Order.

B. The functions transferred under this Order shall be administered by the State Administrative Board in such ways as to promote efficient administration.

C. Any rule-making, licensing, and registration functions related to the functions of the Local Government Claims Review Board transferred under this Order, including, but not limited to, the prescription of rules, regulations, standards, and adjudications, under the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 to 24.328, are transferred to the State Administrative Board.

D. All records, property, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available, or to be made available to the Local Government Claims Review Board for the activities, powers, duties, functions, and responsibilities transferred under this Order are transferred to the State Administrative Board.

E. The Director of the Department of Management and Budget shall develop a memorandum of record identifying any pending settlements, issues of compliance with any applicable state or federal laws or regulations, or other obligations to be resolved by the Local Government Claims Review Board.

F. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system necessary for the implementation of this Order for Fiscal Year 2006-2007.

IV. MISCELLANEOUS

A. All rules, orders, contracts, and agreements relating to the functions transferred under this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, repealed, or rescinded.

B. This Order shall not abate any suit, action, or other proceeding lawfully commenced by, against, or

before any entity affected under this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected under this Order.

C. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

History: 2006, E.R.O. No. 2006-5, Eff. Oct. 22, 2006.

LEASE OF LANDS TO PUBLIC BUILDING CORPORATION
Act 315 of 1947

AN ACT to authorize the state administrative board to lease certain land owned by the state of Michigan to any state public building corporation, and to lease from any said corporation space in a building or buildings constructed for its use on such land.

History: 1947, Act 315, Eff. Oct. 11, 1947.

The People of the State of Michigan enact:

17.251 Lease of state lands to public building corporation, subject to legislative approval.

Sec. 1. The state administrative board is hereby authorized and empowered to lease to any state public building corporation, real property owned by the state of Michigan, acquired for the purpose of site or sites for public buildings, and to lease from any said public building corporation in the name of the state space in a building or buildings constructed for its use on such land. Each such lease shall be subject to the approval of the attorney general of the state. No such lease shall become effective until approved by the legislature by concurrent resolution.

History: 1947, Act 315, Eff. Oct. 11, 1947;—CL 1948, 17.251.

Transfer of powers: See MCL 18.13.

PURCHASE OF BOULEVARD BUILDING
Act 9 of 1947

17.301,17.302 Repealed. 1984, Act 431, Eff. Mar. 29, 1985.

INVENTIONS AND DISCOVERIES

Act 2 of 1954 (Ex. Sess.)

AN ACT authorizing and empowering the state administrative board to contract relative to the property right of this state in copyrighted material, inventions, discoveries, and letters patent thereon; and to provide for the disposition of money received therefrom.

History: 1954, Ex. Sess., Act 2, Imd. Eff. Aug. 20, 1954;—Am. 1980, Act 239, Imd. Eff. July 24, 1980.

The People of the State of Michigan enact:

17.401 Contracts relating to invention or discovery affecting public health; ownership of invention, discovery, or patent thereon; employment of patent attorneys; exploration; licenses; copyright; liability or obligation of state; expense of litigation.

Sec. 1. The state administrative board is authorized and empowered to enter into contracts relating to any invention or discovery of any new and useful process, machine, manufacture, organism, product, or composition of matter, or any new and useful improvement thereof, or any invention or discovery and asexual reproduction of any distinct and new variety of plant, affecting the public health, which invention or discovery or any patent obtained thereon is owned by this state, or in which this state has any property right. The state administrative board is authorized to employ, as occasion demands, patent attorneys on request of the attorney general. The contracts of the state administrative board may provide for the exploration of the character, use, properties, capabilities, or commercial value of such invention or discovery, and may provide for the granting of licenses to make, or have made, use, and sell such invention or discovery, whether patented or not, upon such terms and conditions as seem expedient and proper to the state administrative board. The state administrative board may copyright literary, educational, artistic, or intellectual works in the name of this state and license the production or sale of those works. This state shall not be liable for any act of negligence or breach of contract committed by any contracting party, nor shall any such contract create an obligation on the part of the state for the expenditure of any money, except the expense of litigation in suits involving the protection of the state's property right.

History: 1954, Ex. Sess., Act 2, Imd. Eff. Aug. 20, 1954;—Am. 1980, Act 239, Imd. Eff. July 24, 1980.

17.402 Contracts relating to inventions, discoveries and patents; approval of attorney general.

Sec. 2. Each such contract shall be subject to the approval of the attorney general of the state as to form and validity.

History: 1954, Ex. Sess., Act 2, Imd. Eff. Aug. 20, 1954.

17.403 Contracts relating to inventions, discoveries and patents; disposition of receipts.

Sec. 3. All moneys received by virtue of any such contract shall be turned over to the state treasurer and credited to the general fund of the state.

History: 1954, Ex. Sess., Act 2, Imd. Eff. Aug. 20, 1954.

STATE INDEBTEDNESS
Act 266 of 1967

AN ACT to authorize and provide for the issuance of notes of the state, including refunding notes and commercial paper; to provide funds to meet obligations incurred pursuant to appropriations for fiscal years; to provide for the payment of such notes from revenues received during the same fiscal years; and to exempt certain notes and interest on those notes from taxation.

History: 1967, Act 266, Imd. Eff. July 19, 1967;—Am. 1982, Act 196, Imd. Eff. June 30, 1982.

The People of the State of Michigan enact:

17.451 Borrowing money and issuing notes in anticipation of undedicated revenues; purpose.

Sec. 1. The state administrative board is authorized to borrow money and refund that borrowing, in whole or in part, when necessary, from time to time, on the full faith and credit of the state and issue notes, including refunding notes and commercial paper, of the state in anticipation of the receipt of undedicated revenues in the same fiscal year when in its judgment such money is needed to meet obligations incurred pursuant to appropriations in that fiscal year.

History: 1967, Act 266, Imd. Eff. July 19, 1967;—Am. 1982, Act 196, Imd. Eff. June 30, 1982.

17.452 Aggregate principal amount of outstanding notes; limitation; repayment of indebtedness; pledge and deposit of undedicated revenues; validity of pledge; transactions to provide security; costs and fees; authorization of state treasurer to do certain acts; revenues, proceeds, and earnings from which principal and interest payable.

Sec. 2. (1) The aggregate principal amount of outstanding notes shall not exceed 15% of undedicated revenues received by the state during the preceding fiscal year. Notes are not outstanding if issued and if paid or redeemed or if provision for payment or redemption has been made by the deposit in trust of sufficient money or sufficient direct obligations of the United States of America or obligations, the principal and interest of which is guaranteed by the United States of America with a trustee or paying agent for payment of the notes. In addition, if notes are issued to refund outstanding notes, the notes to be refunded are not outstanding. Indebtedness shall be repaid at the time the revenues pledged for that purpose are received but not later than the end of the same fiscal year. In addition, a provision for setting aside of undedicated revenues in an amount sufficient to pay principal and interest on the notes shall be made not later than 10 days before the end of the fiscal year.

(2) The state administrative board shall pledge for the repayment of the notes, undedicated revenues of the fiscal year in which the notes are issued and may provide for deposit of any undedicated revenues so pledged in a segregated fund in the state treasury or with a bank or trust company.

(3) A pledge of undedicated revenues shall be valid and binding without recording from the time the pledge is made. Money or property pledged received by the state after the pledge shall immediately be subject to the lien of the pledge without any physical delivery or further act.

(4) The board may authorize and approve insurance contracts, agreements for lines of credit, letters of credit, commitments to purchase notes, and any other transactions to provide security to assure timely payment of any note.

(5) The board may authorize payment from the proceeds of the notes or other funds available, the cost of issuance, including, but not limited to, fees for placement, fees for charges for insurance, letters of credit, lines of credit, or purchase or sales agreements or commitments, or agreements to provide security to assure timely payment of notes.

(6) The board may authorize the state treasurer but only within limitations which shall be contained in the issuance or authorization resolution of the board to do 1 or more of the following:

- (a) Sell and deliver and receive payment for notes.
- (b) Refund notes by the delivery of new notes, whether or not the notes to be refunded have matured.
- (c) Deliver notes partly to refund notes and partly for any other authorized purposes.
- (d) Buy notes so issued at not more than the face value of the notes.

(e) Approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights at the option of the state or the holder, the place of delivery and payment, and other matters and procedures necessary to complete the transactions authorized.

- (7) The board may authorize principal and interest to be payable from any 1 or more of the following:
- (a) Undedicated revenues of the state for the fiscal year for which the notes were issued.
 - (b) Proceeds of notes.
 - (c) Earnings on proceeds of notes or other funds held for the payment of notes.
 - (d) Proceeds of any other security provided to assure timely payment of the notes.

History: 1967, Act 266, Imd. Eff. July 19, 1967;—Am. 1982, Act 196, Imd. Eff. June 30, 1982.

17.453 Payment of notes; interest; discount; execution and sale of notes and coupons; authentication; commercial paper dealer agreements; signature of former state treasurer.

Sec. 3. Subject to the provisions of section 2, the notes shall become due at such time or times as determined by the state administrative board, and may be made payable prior to maturity at the option of the board or the holder of a note at such times and in such a manner as determined by the board. The notes may bear no interest or interest at a rate or rates which may be variable to be determined as provided in the issuance or authorization resolution and may be in a form, with or without interest coupons, as approved by the board. The notes may be sold at a discount. The notes and coupons, if any, shall be executed for and on behalf of the state of Michigan by the manual or facsimile signature of the state treasurer and may be sold at either public or private sale as authorized by the board. The board may approve commercial paper dealer agreements. If any note is executed with the facsimile signature of the state treasurer, authentication of the notes shall take place in accordance with an agreement or indenture entered into with an issuing agent or trustee approved by the board. In case the state treasurer whose signature appears on the note or coupon issued under this act ceases to be the state treasurer before delivery of the notes or coupons, his or her signature shall be valid and sufficient for all purposes as if the person held the office of state treasurer until the delivery of the notes or coupons.

History: 1967, Act 266, Imd. Eff. July 19, 1967;—Am. 1982, Act 196, Imd. Eff. June 30, 1982.

17.454 Use of proceeds of loan restricted; revised municipal finance act inapplicable; issuance of bonds and notes subject to agency financing reporting act.

Sec. 4. (1) The proceeds of any loan under this act shall not be used to pay in advance appropriations to any municipality as defined in section 103 of the revised municipal finance act, 2001 PA 34, MCL 141.2103.

(2) Bonds, notes, and loans issued under this act are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) The issuance of bonds and notes under this act is subject to the agency financing reporting act.

History: 1967, Act 266, Imd. Eff. July 19, 1967;—Am. 2002, Act 416, Imd. Eff. June 3, 2002.

17.455 Notes and interest exempt from taxation.

Sec. 5. Notes issued under this act before or after the effective date of this section and the interest on those notes shall be exempt from all taxation by the state or political subdivisions of the state.

History: Add. 1982, Act 196, Imd. Eff. June 30, 1982.

**HEATING CONTRACTS
Act 112 of 1956**

17.501 Repealed. 1984, Act 431, Eff. Mar. 29, 1985.