

# SENATE BILL No. 11

January 8, 2003, Introduced by Senator JOHNSON and referred to the Committee on  
Technology and Energy.

A bill to amend 1964 PA 183, entitled

"An act creating the state building authority with power to acquire, construct, furnish, equip, own, improve, enlarge, operate, mortgage, and maintain facilities for the use of the state or any of its agencies; to act as a developer or co-owner of facilities as a condominium project for the use of the state or any of its agencies; to authorize the execution of leases pertaining to those facilities by the building authority with the state or any of its agencies; to authorize the payment of true rentals by the state; to provide for the issuance of revenue obligations by the building authority to be paid from the true rentals to be paid by the state and other resources and security provided for and pledged by the building authority; to authorize the creation of funds; to authorize the conveyance of lands by the state or any of its agencies for the purposes authorized in this act; to authorize the appointment of a trustee for bondholders; to permit remedies for the benefit of parties in interest; to provide for other powers and duties of the authority; and to provide for other matters in relation to the authority and its obligations,"

by amending section 7 (MCL 830.417), as amended by 1994 PA 252.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1       Sec. 7. (1) The state may lease facilities from the  
2 building authority for public purposes within the concepts

1 provided in this act, upon terms and conditions agreed upon and  
2 subject to the limitations and provisions provided in section 6.  
3 Before execution, a lease shall be approved by the state  
4 administrative board and, except as provided in subsection (3),  
5 by concurrent resolution of the legislature concurred in by a  
6 majority of the members elected to and serving in each house.  
7 The votes and names of the members voting shall be entered in the  
8 journal. The lease as approved by the building authority and the  
9 administrative board, and if required, the legislature or an  
10 institution of higher education, may provide for a determinable  
11 true rental as a range as permitted under section 1(e).

12 (2) If a lease is approved containing a true rental stated as  
13 a range, then actual rental to be paid under the lease shall be  
14 fixed at an amount certified by the appraiser and, after the  
15 certification, shall be approved by the state administrative  
16 board and the building authority. The appraiser shall not  
17 certify, and the board and authority shall not approve, a true  
18 rental amount unless the amount is fixed within or below the  
19 stated range. A lease shall not be executed more than 3 years  
20 after its approval by the legislature. The state shall pay to  
21 the building authority or its assignee the true rental at the  
22 times, in the manner, and at the place specified in the lease.  
23 The governor and the budget director shall include in the annual  
24 budget of the state for each year an amount fully sufficient to  
25 pay the true rental required to be paid by the state to the  
26 building authority or its assignee required by any lease under  
27 this act. If the lease is for an institution of higher

1 education, then in addition, the lease shall be authorized by the  
2 institution of higher education and signed by its authorized  
3 officers.

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

8 (a) Before a lease that is only for furnishings or equipment  
9 is executed, the general form of the lease shall be approved by  
10 concurrent resolution of the legislature concurred in by a  
11 majority of the members elected to and serving in each house.  
12 The form of the lease approved by the legislature need not  
13 contain a description of the property to be leased or the rental  
14 or a rental range. However, before the state executes the lease,  
15 the description of the property to be leased and the rental shall  
16 be approved by the state administrative board as provided in  
17 subsection (2). The concurrent resolution of the legislature  
18 approving the form of lease shall also approve a maximum amount  
19 of furnishings and equipment that may be leased during the 2  
20 years following the approval of the lease pursuant to the form of  
21 lease approved.

22 (b) A lease that is only for furnishings or equipment shall  
23 be executed only if the furnishings or equipment are for use by a  
24 state agency as determined under the management and budget act,  
25 ~~Act No. 431 of the Public Acts of 1984, being sections 18.1101~~  
26 ~~to 18.1594 of the Michigan Compiled Laws 1984 PA 431, MCL~~  
27 **18.1101 to 18.1594, or for use by an institution of higher**

1 education.

2       (c) If the lease is for an institution of higher education,  
3 before the state executes the lease, the description of the  
4 property to be leased and the rental shall also be approved by  
5 the institution of higher education as provided in subsection  
6 (2). Institutions of higher education may only lease from the  
7 building authority furnishings, hardware, and other types of  
8 equipment associated with telecommunications, including, but not  
9 limited to, digital broadcasting, wireless networking, and  
10 internet services.