

STATE BUILDING AUTHORITY (EXCERPT)
Act 183 of 1964

830.411 Definitions.

Sec. 1.

As used in this act:

- (a) "Building authority" means the state building authority created by this act.
- (b) "State" means the legislative, executive, and judicial branches of state government and includes institutions of higher education.
- (c) "Existing facilities" means all existing buildings and other facilities, the sites for the buildings or facilities, and furnishings or equipment for the buildings or facilities located on real property acquired by the building authority under the terms of this act.
- (d) "Facilities" means furnishings or equipment, capital maintenance improvements, existing facilities, and all new buildings, parking structures and lots, and other facilities, the sites for the buildings, structures, or facilities, and furnishings or equipment for the buildings, structures, or facilities in any way acquired or constructed by the building authority under this act.
- (e) "True rental" means the rental required to be paid by the state to the building authority under a lease between the state and the building authority entered into under this act. The true rental shall be paid by the state to the building authority or its assignee periodically as specified in the lease with the building authority and shall be in periodic amounts that do not exceed the economic or market value to the state of the leased facilities. The economic or market value to the state of the leased facilities shall be determined by the state administrative board before the execution of a lease by the state under this act by an appraisal made by or for the state using commonly employed procedures that will fairly determine economic or market value. When using procedures commonly employed by appraisers, an appraisal may set forth a range for the true rental that reflects variations that may occur in the components upon which the appraisal is based. If a lease is only for furnishings or equipment, the state administrative board may employ an appraiser to determine the economic or market value to the state of the furnishings or equipment, or the state administrative board may approve an alternative method to determine the economic or market value to the state of the furnishings or equipment. The alternative method may include the determination of the economic or market value to the state by a person who is in the business of leasing furnishings or equipment.
- (f) "Board" means the board of trustees of the building authority.
- (g) "Bond" or "obligation" means a bond, note, or other debt obligation issued by the building authority under section 8.
- (h) "Institution of higher education" means a college or university listed in section 4 or 5 of article VIII of the state constitution of 1963 or described in section 6 of article VIII of the state constitution of 1963 or a community or junior college established under section 7 of article VIII of the state constitution of 1963.
- (i) "Equipment" means machinery, hardware, or any other type of equipment or a group of integrally related equipment, which shall meet all of the following:
 - (i) The equipment or the predominant portion of the group of integrally related equipment is located in or is physically connected to a state occupied building or facility or is located on state owned property.
 - (ii) The portion of the group of integrally related equipment that is not described in subparagraph (i) is integral to the functioning of the integrally related equipment described in subparagraph (i).
 - (iii) The projected useful life of the equipment is 5 years or more.
- (j) "Party in interest" includes an owner of an obligation issued under this act; a counterparty to an agreement relating to security or management of payment, revenue, or interest rate exposure, including, but not limited to, a bank, bond insurance provider, or security firm, as its interest appears; and a trustee or fiduciary duly designated by the building authority or otherwise to act on behalf of 1 or more owners or counterparties.
- (k) "Capital maintenance improvements" means an expenditure to provide capital maintenance that is an asset depreciable under the internal revenue code that is used by this state or an institution of higher education.

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

Constitutionality: Section 830.411 et seq. is constitutional. In re Advisory Opinion 1976 PA 240, 400 Mich 311; 254 NW2d 544 (1977).

Compiler's Notes: 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.