



**House
Legislative
Analysis
Section**

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BLDG AUTHORITY: DEBT LIMIT, COLLEGES

House Bill 4805

Sponsor: Rep. Dominic J. Jacobetti

Committee: Appropriations

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A SUMMARY OF HOUSE BILL 4805 AS INTRODUCED 5-10-89

The bill would amend Public Act 183 of 1964, the state building authority act, to enact certain lease requirements for construction projects for institutions of higher education. For a construction project initially authorized in an appropriations act for the 1989-90 fiscal year or thereafter, the institution of higher education would pay 20 percent of the true rental required for the construction project. Until the bonds issued for the construction project (or obligations issued to refund those bonds) were retired, the state treasurer would deduct the 20 percent figure from the operational funds annually appropriated to that institution. This money would be used to offset the state's true rental otherwise required by the act.

In addition, the bill would increase the maximum obligation limit for the state building authority by \$500 million, from \$1.35 billion to \$1.85 billion.

MCL 830.417 and 830.418

House Bill 4805 (8-21-89)