

# SENATE BILL No. 480

May 30, 1989, Introduced by Senator GAST and referred to the Committee on Appropriations.

A bill to create a capital outlay project revolving fund; to provide for the fund's composition and for the administration of and expenditures from the fund; and to provide for the reimbursement for certain fund expenditures.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the  
2 "capital outlay project revolving fund act".

3       Sec. 2. The legislature declares that creation of and pro-  
4 vision for the capital outlay project revolving fund is for a  
5 valid public purpose in order to ensure the orderly acquisition,  
6 construction, restoration, improvement, and expansion of public  
7 buildings and related facilities, called capital outlay projects  
8 in this act, considered necessary for the efficient execution and  
9 administration of necessary governmental functions, enterprises,  
10 and services.

1       Sec. 3. As used in this act:

2       (a) "Capital outlay project" or "project" means a new or  
3 existing building to be used by the state or a state agency  
4 together with the site, appurtenant structures, and furnishings  
5 and equipment relating to the building.

6       (b) "Department" means the department of management and  
7 budget.

8       (c) "Fund" means the capital outlay project revolving fund  
9 created in section 4.

10       (d) "State building authority" means the state building  
11 authority created by Act No. 183 of the Public Acts of 1964,  
12 being sections 830.411 to 830.425 of the Michigan Compiled Laws.

13       (e) "Surplus funds" means surplus funds as that term is used  
14 in section 3 of Act No. 105 of the Public Acts of 1855, being  
15 section 21.143 of the Michigan Compiled Laws.

16       Sec. 4. (1) The capital outlay project revolving fund is  
17 created within the department for the purpose of facilitating the  
18 financing of those capital outlay projects that the legislature  
19 designates, by statute or resolution, as state building authority  
20 projects.

21       (2) The fund consists of money specifically appropriated to  
22 the fund or money invested in the fund by the state treasurer  
23 from the general fund portion of surplus funds as authorized by  
24 section 3 of Act No. 105 of the Public Acts of 1855, being  
25 section 21.143 of the Michigan Compiled Laws. Money in the fund  
26 that is from a source described in this subsection remains in the

1 fund for use for the fund's purposes and does not lapse to its  
2 source.

3 (3) Money in the fund shall be accounted for on a project by  
4 project basis. Interest on the balance of the fund accrues to  
5 the general fund.

6 Sec. 5. (1) Money shall be expended from the fund only for  
7 the purpose of implementing this act. The department shall not  
8 expend money from the fund unless the state administrative board  
9 approves release of the appropriation as provided for capital  
10 outlay appropriations under section 246 of the management and  
11 budget act, Act No. 431 of the Public Acts of 1984, being  
12 section 18.1246 of the Michigan Compiled Laws. The department  
13 shall only expend money from the fund to pay for costs associated  
14 with acquisition, construction, restoration, improvement, or  
15 expansion of a project for which both of the following conditions  
16 are met:

17 (a) A resolution has been adopted by the state building  
18 authority expressing its intent to acquire the project.

19 (b) The costs are incurred in a fiscal year for which the  
20 legislature has authorized the project by designation of the  
21 project in an appropriation act as one to be financed by the  
22 state building authority.

23 (2) An expenditure of money invested in the fund by the  
24 state treasurer for a specifically identified project as provided  
25 in section 3 of Act No. 105 of the Public Acts of 1855, being  
26 section 21.143 of the Michigan Compiled Laws, shall not exceed

1 the state building authority's share that is designated for the  
2 project in an appropriations act.

3       Sec. 6. Money from the fund that is expended for a project  
4 and that represents invested surplus funds shall be reimbursed  
5 from the proceeds of bonds or notes issued by the state building  
6 authority to finance that project, or from the proceeds of an  
7 alternative financing source. Unless the state treasurer deter-  
8 mines to reinvest this reimbursed money in the fund for use for  
9 another specifically designated project, the fund shall repay the  
10 reimbursed money to the state treasurer for credit to the general  
11 fund portion of the money comprising surplus funds.

12           Sec. 8. This act shall not take effect unless Senate Bill  
13 No. 481   of the  
14 85th Legislature is enacted into law.