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BILL ANALYSIS

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House Bill 4763 (Substitute S-1)**Sponsor: Representative Thomas Hickner****House Committee: Appropriations****Senate Committee: Government Operations****Date Completed: 7-9-87****RATIONALE**

The Management and Budget Act of 1984 prescribes the powers and duties of the Department of Management and Budget (DMB). The Act specifies that the Department may grant easements for constructing, operating, and maintaining utility lines on State-owned land that is not under the jurisdiction of the Department of Natural Resources, the Department of Military Affairs, or the State Transportation Department, but it contains no authorization for the DMB to grant easements for highway and road purposes. The Act also does not provide authorization for State agencies, through the DMB, to enter into contracts for energy conservation improvements to State facilities. Some people feel that these two concerns need to be addressed.

Further, according to a 1984 study by the National Conference of State Legislatures, there are 28 states that have some form of oversight committee for their state capitol; however, Michigan is not among them. The State Capitol building, which contains offices for a portion of each house of the Legislature and the Executive Office, is technically considered a facility under the control of the DMB. The Management and Budget Act states that the Capitol building is a facility for which the DMB may issue directives for management, operation, maintenance, and repair. The Act also provides that the DMB shall assign space in its facilities, "except to the extent that space in the capitol building and other buildings and premises is reserved for the legislature". What has evolved, then, is that while the DMB has maintained the Capitol building and grounds as one of its "facilities", the Senate, the House, and the Executive Office have each made, through the years, cosmetic and structural changes to the spaces assigned to them. It has been suggested that a Capitol committee be formed to oversee physical changes to the Capitol and grounds.

CONTENT

The bill would amend the Management and Budget Act to authorize the DMB to grant easements for highway and road purposes, and to provide the authority for State agencies, through the DMB, to enter into multi-year contracts for energy conservation improvements to State facilities. A State agency would be required to request a certificate of energy cost savings from the Public Service Commission. This certificate would be based on actual energy use and cost data, provided to the Commission by the State agency. At the close of each fiscal year, the amount of any unencumbered balance of a State appropriation for fuel or utilities to the State agency, which was a result of energy management actions as certified by the Public Service Commission, would have to be distributed as follows: 75% would be carried forward to the next fiscal year and allocated to a special energy conservation work order or work project

account, to be used for energy conservation measures in the facilities for which the certificate was issued; the balance would lapse to the fund from which the appropriation was issued.

The bill also would remove the Capitol building and grounds from the facilities managed by the DMB. The bill is tie-barred to House Bill 4776, which would amend the Legislative Council Act to create the Michigan Capitol Committee, and charge the Committee with responsibility of making recommendations for the restoration and preservation of the Capitol and grounds to the Governor, the Senate Majority Leader, and the Speaker of the House.

MCL 18.1113 et al.

SENATE COMMITTEE ACTION

The Government Operations Committee adopted Substitute (S-1) that would remove the Capitol building and grounds from the facilities managed by the DMB, and tie-bar the bill to House Bill 4776.

FISCAL IMPACT

The bill would have an indeterminate impact. There would be cost savings if this bill were enacted, but detailed information has not been received to date.

ARGUMENTS**Supporting Argument**

Measures to use energy savings measures are urgently needed to offset the impact of rising energy costs. The bill would allow State agencies to expend up to 75% of energy cost savings for energy conservation measures, thus creating an ongoing energy savings program.

Supporting Argument

Experience has shown that, when a State agency decides to sell land, ownership of the highway and road easements on the land makes the land more valuable.

Supporting Argument

The bill would remove the Capitol building and grounds from those facilities managed by the DMB, and would thus allow for the creation of a single coordinating entity to manage the restoration and preservation of the Capitol building and its grounds.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

H.B. 4763 (7-9-87)