

Act No. 589  
Public Acts of 2004  
Approved by the Governor  
January 3, 2005  
Filed with the Secretary of State  
January 4, 2005  
EFFECTIVE DATE: January 4, 2005

**STATE OF MICHIGAN  
92ND LEGISLATURE  
REGULAR SESSION OF 2004**

**Introduced by Reps. LaJoy, Moolenaar, Taub, Caswell, Palmer, Acciavatti, Milosch, Garfield, Tabor, Casperson, Bradstreet, Robertson, Nofs, Newell, Caul, Hager, Middaugh, Emmons, Gaffney, Stewart, Kooiman, Vander Veen, Huizenga, Mortimer, Ward, Palsrok, Pastor, Walker, Ehardt, Brandenburg, Sheen, DeRoche, Voorhees and Julian**

# **ENROLLED HOUSE BILL No. 5913**

AN ACT to amend 1984 PA 431, entitled "An act to prescribe the powers and duties of the department of management and budget; to define the authority and functions of its director and its organizational entities; to authorize the department to issue directives; to provide for the capital outlay program; to provide for the leasing, planning, constructing, maintaining, altering, renovating, demolishing, conveying of lands and facilities; to provide for centralized administrative services such as purchasing, payroll, record retention, data processing, and publishing and for access to certain services; to provide for a system of internal accounting and administrative control for certain principal departments; to provide for an internal auditor in certain principal departments; to provide for certain powers and duties of certain state officers and agencies; to codify, revise, consolidate, classify, and add to the powers, duties, and laws relative to budgeting, accounting, and the regulating of appropriations; to provide for the implementation of certain constitutional provisions; to create funds and accounts; to make appropriations; to prescribe remedies and penalties; to rescind certain executive reorganization orders; to prescribe penalties; and to repeal certain acts and parts of acts," by amending section 263 (MCL 18.1263).

*The People of the State of Michigan enact:*

Sec. 263. (1) The director may authorize a state agency to purchase supplies and materials for the purpose of maintaining inventories. The director shall place a dollar or quantity limitation to insure inventories are maintained at acceptable levels. Appropriation accounts shall be charged upon the basis of actual usage. Any state agency so authorized shall conduct periodic inventories as directed by the director of all supplies and materials under their control. Obsolete, damaged, or spoiled supplies and materials shall be charged to the proper appropriation account during the fiscal year it is determined that obsolescence, damage, or spoilage has occurred.

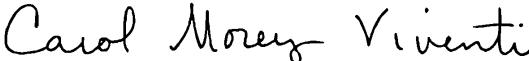
(2) The department shall provide assistance to any city, village, county, township, school district, intermediate school district, nonprofit hospital, institution of higher education, or community or junior college for purchasing services on a fee basis. Fees collected for the provision of that assistance are appropriated for the additional expenses incurred.

(3) The department shall create and operate a cooperative bulk purchasing program for school districts, public school academies, nonpublic schools, and intermediate school districts on a fee basis to reduce the costs of purchasing goods and services. Fees collected under this subsection shall not exceed the cost of purchasing goods and services and reasonable administrative expenses, and are appropriated for the expenses incurred.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor