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BILL ANALYSIS

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Senate Bill 847 (as reported with amendment)  
Sponsor: Senator Michael Switalski  
Committee: Appropriations

### **CONTENT**

The bill would amend Public Act 440 of 2002, which authorized the conveyance of approximately 26 acres under the jurisdiction of the Department of Community Health, in Clinton Township, Macomb County, for not less than fair market value, and requires the property to be used for the purpose of providing outpatient services to indigent persons requiring community health services due to mental illness, aging, substance abuse, or developmental disability.

The bill instead would require that the property be conveyed to the Macomb-Oakland Regional Center, Inc., at fair market value, and would eliminate the requirement that the services be strictly for indigent persons. The bill also would include "physical rehabilitation" and "other human service needs" as authorized purposes of the conveyance, and would require that the appraised value of the property be based on its use as providing services to individuals who are aged, physically handicapped, and substance abusers, in addition to people who are mentally ill or developmentally disabled.

The bill would remove the requirement that the property be used for the specified purpose for 50 years after the conveyance (thereby making the conveyance indefinite); remove the State's authority to reenter and repossess the property if used for other purposes during that 50-year period; and remove the authority of the Attorney General to bring action to regain possession of the property if the grantee were to dispute the State's exercise of its rights of reentry.

The bill is tie-barred to House Bill 5340, which would prohibit the resale of the property for one year, and states that if it were subsequently sold for any purpose other than the provision of community-based services, the State would be entitled to 50% of the net profit from the sales.

### **FISCAL IMPACT**

To the extent that the Macomb-Oakland Regional Center, Inc. is able to pay the fair market value of the property (currently appraised at approximately \$3.4 million) the bill would have no fiscal impact on State or local government. If, however, Macomb-Oakland Regional Center, Inc., were not able to pay the fair market value, and there would otherwise be parties willing and able to pay, then the bill could result in foregone opportunity costs to the State of \$3.4 million. It is not expected that the added required use of the property on which the appraisal must be based, as outlined in the bill, would significantly alter the appraised value of the property.

Date Completed: 3-11-04

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