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FISCAL ANALYSIS

Mitchell Bean, Director

124 N. Capitol Avenue

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HOUSE BILL 5436

Sponsor: Rep. Tom Meyer

House Committee: Regulatory Reform

ENROLLED ANALYSIS - 4/12/02

Analyst(s): Al Valenzio

SUMMARY

Conveys several parcels of property at the Caro Regional Mental Health Center for nominal amounts if the properties are to be used for a public purpose. The first is a 40 acre parcel to the Tuscola Area Airport Authority. The second to Indian Fields Township is about 30 acres and contains buildings 7 and 9. If the properties are not used for public purposes, then a fair market value would be established.

If the properties were to be sold at fair market value, then additional one-time revenues would accrue to the state. An appraisal would be required to determine fair market value.

The department avoids minor maintenance costs on buildings 7 and 9. These 18,178 and 15,210, sq. ft. buildings were originally constructed in 1919 and 1923, respectively. No estimate is available.

The bill also allows the State Administrative Board to sell most of the property at the Northville Psychiatric Hospital site under certain conditions. Up to 422 acres of the 500 plus acres could be sold. An appraisal will be required to determine fair market value. However, this site is prime southeast Michigan real estate, some estimates have the property worth as much as \$300,000 per acre. If so, the sale could be worth about \$130 million in one-time revenue to the state, less site preparation and other selling costs.

Local units will see increased property tax revenues if all, or a portion of the property is sold to private developers.