



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 734 (Substitute S-3 as enrolled)
 Sponsor: Senator Dale L. Shugars
 Committee: Local, Urban and State Affairs

Date Completed: 9-10-96

RATIONALE

A few years ago, Kalamazoo County officials were looking to lease property in the county to house the county's human services department, which includes mental and public health services, substance abuse services and a community action agency, because the department was running out of space in its downtown Kalamazoo location. Officials reportedly were considering leasing space at an east side mall as well as a former mental health facility. Subsequently, Nazareth College, a small private college located on Gull Road and M-43, closed, and the Sisters of St. Joseph, a community of nuns who operated the college and owned its facilities, were searching for an organization to lease the some of the college's facilities. After determining that these facilities, with some renovation, could meet the county's needs, the county entered into negotiations with college officials to lease some of the buildings on the campus. College officials reportedly were seeking a long-term lease, but the county was prohibited from signing a lease for a term of more than five years due to restrictions in Public Act 156 of 1851, which defines the powers and duties of county boards of commissioners. Although county and college officials signed a five-year lease, with options to renew the lease or purchase the property, county officials believe that Public Act 156 should be amended to permit counties to enter into long-term agreements.

CONTENT

The bill would amend Public Act 156 of 1851 to increase from five to 20 years the term for which a county board may purchase or lease real estate for the site of a courthouse, jail, clerk's office, or other county building in a county.

MCL 46.11

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Under Public Act 156, counties are prohibited from purchasing or leasing for more than five years real estate in a county on which to locate county buildings. Kalamazoo County officials contend that this restriction is not reasonable in today's business climate in which property owners as well as purchasers or lessees seek long-term arrangements. The bill would increase to 20 years the term for which a county board of commissioners may purchase or lease real estate. Lengthening the term of a purchase or lease would facilitate future county negotiations for the purchase or lease of property and would permit counties to enter into long-term agreements, as municipalities and townships currently are permitted to do.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would lower the legal costs for renewing real estate leases to counties.

The bill would have no State fiscal impact.

Fiscal Analyst: R. Ross

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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.