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INTERGOVERNMENTAL PROPERTY TRANSFERS

House Bill 4233

Sponsor: Rep. Susan Tabor

Committee: Local Government and Urban
Policy

Complete to 2-21-99

A SUMMARY OF HOUSE BILL 4233 AS INTRODUCED 2-9-99

House Bill 4233 would amend Public Act 425 of 1984, an act that concerns the transfer of property by contract between local units of government. Under current law, two or more local units may conditionally transfer property for economic development purposes, for a period of not more than 50 years, and the conditional property transfer must be controlled by a written contract. House Bill 4233 would require that the local units of government be contiguous in order to transfer property. In addition, it would allow a transfer for an economic development project only if the property to be transferred is contiguous to the local unit to which it would be transferred.

Public Act 425 of 1984 also specifies factors that must be considered in the formulation of a contract; requires notice and at least one public hearing in each unit of government before the vote; sets forth resolution and petition requirements (if a public referendum on the transfer is intended); describes provisions applicable to transfer contracts, and the terms of the contract; specifies jurisdiction over the property; sets forth certain limitations on the annexation or transfer; and explains the proper procedure for filing the contract.

Under Public Act 425 of 1984, "local unit" means a city, township, or village. "Economic development project" means land and existing or planned improvements suitable for use by an industrial or commercial enterprise, or housing development, or the protection of the environment, including but not limited to groundwater or surface water. Economic development project includes necessary buildings, improvements, or structures suitable for and intended for or incidental to use as an industrial or commercial enterprise or housing development; and includes industrial park or industrial site improvements and port improvements or housing development incidental to an industrial or commercial enterprise; and includes the machinery, furnishings, and equipment necessary, suitable, intended for, or incidental to a commercial, industrial, or residential use in connection with the buildings or structures. Two subsequent attorney general opinions have ruled that a mobile home park is an economic development project (Op. Atty. Gen. 1991, No. 6689, p. 64), and that development of a public part is not (Op. Atty. Gen. 1997, No. 6936).

MCL 124.22

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