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FISCAL ANALYSIS

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**SENATE BILL 540 As Introduced
ANALYSIS - 5/16/02**

Sponsor: Sen. Joel D. Gougeon

House Committee: Regulatory Reform

FLOOR ANALYSIS - 5/16/02 FLOOR

Analyst(s): Al Valenzio

SUMMARY

Authorizes the sale of approximately 26 acres of property in Macomb County currently under the jurisdiction of the Department of Community Health. The sale must be at fair market value and the buyer must agree to only use the property for providing services to the mentally ill or developmentally disabled persons for 50 years. If this does not occur, the State may initiate an action to repossess the property.

The State does not reserve the mineral rights, however if the buyer develops any minerals on or under the property, one-half of the revenues must be paid to the State.

The Department of Management and Budget indicates that the appraised value of the property is approximately \$3 million. A one-time revenue gain to the State General Fund of nearly \$3 million will occur if the property is sold (after deductions for preparing the property for sale).

Local fiscal implications are unknown, depending on whether a local unit was a buyer or not.