
Senate Fiscal Agency
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Senate Bill 638 (as reported without amendment)
Sponsor: Senator Dale L. Shugars
Committee: Local, Urban and State Affairs

CONTENT

The bill would amend Public Act 480 of 1996 (which made capital outlay appropriations for the 1996-97 fiscal year) to provide that a quitclaim deed entered into between the State and Kalamazoo Community Mental Health (CMH) Services would have to be amended to allow Kalamazoo CMH Services to convey a portion of the property at fair market value, and the proceeds would have to be used for housing services.

Specifically, the bill provides that a quitclaim deed entered into on January 26, 1998, between the State Administrative Board and Kalamazoo CMH Services would have to be amended to allow Kalamazoo CMH Services to convey a portion of the property for fair market value without violating the restriction contained in the deed requiring the property to be used exclusively for public purposes. Kalamazoo CMH Services would have to retain the proceeds from the conveyance and could spend them only to provide housing services to the developmentally disabled, mentally ill, or at-risk families within that service area.

The fair market value would have to be determined by an appraisal based on the property's highest and best use, as prepared by the State Tax Commission or an independent fee appraiser.

Public Act 480 authorized the Department of Community Health (DCH), on behalf of the State, to convey for \$1 to Kalamazoo Community Mental Health Services or a legal successor agency to the board, all or any portion of certain property under the DCH's jurisdiction and located in the City of Kalamazoo.

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would have no fiscal impact on State government, yet would have a fiscal impact on local government.

The parcel described in the bill was deeded by the State to Kalamazoo Community Mental Health Services for \$1 in Public Act 480 of 1996. This would allow Kalamazoo Community Mental Health Services to convey a portion of the deeded parcel at fair market value. The Senate Fiscal Agency is not aware of an existing current appraisal of the property.

Date Completed: 10-18-01

Fiscal Analyst: M. Hansen