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BILL ANALYSIS

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House Bill 4090 (as reported without amendment)  
Sponsor: Representative Alabas Farhat  
House Committee: Government Operations  
Senate Committee: Local Government

### **CONTENT**

The bill would enact a new law to authorize the State Administrative Board to convey a 96-acre property in Wayne County that houses the Detroit Detention Center (DDC) to the City of Detroit. The property is currently under the jurisdiction of the Department of Corrections (MDOC), which has operated the facility under contract with the City of Detroit since 2013.

### **BRIEF RATIONALE**

The DDC opened on August 1, 2013, under an interagency agreement between the Detroit Police Department and the MDOC. According to testimony, the City of Detroit is ready to fully staff and manage the facility. By allowing for the sale of the DDC to the City of Detroit, the bill would free up staff and resources within the MDOC to use at other sites.

Legislative Analyst: Alex Krabill

### **FISCAL IMPACT**

The bill would have a likely neutral fiscal impact on the State, and an unknown, but likely neutral fiscal impact on local units of government.

The Fiscal Year 2024-25 MDOC budget contains an appropriation of approximately \$11.4 million for the operation of the DDC. The DDC line item is funded entirely through a local reimbursement from the City of Detroit. If the property were conveyed to the City for \$1 as provided for under the bill, this appropriation would be eliminated and the costs to operate the DDC would fall entirely upon the City of Detroit. From the State's perspective, such a change would be cost neutral as the State would cease incurring up to \$11.4 million in annual costs and also would no longer receive up to \$11.4 million from the City of Detroit to operate the facility. The MDOC would benefit from the conveyance of the property as the MDOC could transfer up to 75.8 officer positions to fill other vacant positions within the MDOC. The MDOC also would be relieved of the long-term liability of maintaining the DDC property and facilities, which would produce some unknown long-term savings.

The fiscal impact on the City of Detroit from the purchase of the DDC property is unknown. To the extent that the employment cost of City employees is greater or less than the employment cost of State employees, the City could face increased or decreased costs for the direct operation of the DDC as compared to the cost of contracting with the State. It is also possible that the City could see other savings or efficiencies associated with having full use and control over the DDC property.

Finally, any revenue derived from the sale of the property or development of mineral extraction occurring on the property after a sale would be deposited in the General Fund.

Date Completed: 6-12-25

Fiscal Analyst: Josh Sefton

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