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FISCAL ANALYSIS

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SENATE BILL 616 SUBSTITUTE S-1

Sponsor: Sen. Philip E. Hoffman

House Committee: Regulatory Reform

COMMITTEE ANALYSIS - 9/24/02

Analyst(s): Al Valenzio

SUMMARY

The bill authorizes the sale, at fair market value, of two sizable tracts of undeveloped state-owned land in Jackson County to Blackman and Leoni townships. Blackman Township would be offered 581.11 acres, of which 285.28 acres are to be placed in a wetlands bank. Leoni Township would be offered 354.08 acres, of which 31.11 acres are to be placed in a wetlands bank. In each township, the remaining acres are designated as an industrial park. Fair market value of the properties will be according to highest and best value. The bill allows for deferred payments to the state according to a formula agreed to by the parties. The parties are also to agree to a date certain when unsold industrial park land is to revert to the state.

STATE FISCAL IMPACT

The state will receive fair market value on 935 acres of property, although on a deferred payment basis. Until an appraisal is completed, fair market value is unknown at this time. As received, these payments will be deposited into the General Fund. It is unclear if interest may be applied to the deferred payments, as the bill makes no provision for it. Also unknown is how much will be expended by the state to prepare the properties for sale.

LOCAL FISCAL IMPACT

The two townships and Jackson County will benefit by returning over 600 acres to the property tax roles. They will also benefit from companies building and operating on sites in the industrial parks. These benefits are indeterminate at this time. It is also unknown how much site development/infrastructure work is required that the townships and/or county would pay for.