



**House
Legislative
Analysis
Section**

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CONVEY DMH PROPERTY TO HIGHEST BIDDER

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House Bill 4168 as introduced
First Analysis (5-20-87)

JUN 09 1987

Sponsor: Rep. Joseph F. Young, Sr.
Committee: Appropriations

H.B. 4168 (5-20-87)

THE APPARENT PROBLEM:

The Department of Mental Health's (DMH) fiscal year 1986-87 budget anticipated that \$1.3 million in revenues would be realized from the sale of property located at Joseph M. Snyder Macomb-Oakland Regional Center. The land was declared surplus in 1986, and funds from the expected sale are already considered revenue in the department's appropriations bill for 1986-87. Legislation is necessary to authorize the sale of the property.

THE CONTENT OF THE BILL:

The bill would allow the state administrative board to sell to the highest bidder property in Macomb County which is now under the jurisdiction of the Department of Mental Health, and which is located at the Joseph Snyder Macomb-Oakland Regional Center. Proceeds from the sale would be deposited in a restricted account, and appropriated only for Department of Mental Health services to the mentally handicapped.

The sale of the property could not be completed until the Department of Mental Health determined that plans for use of the property were compatible with mental health service delivery at the Joseph Snyder Macomb-Oakland Regional Center.

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, the sale of the property would generate up to \$1.3 million. This anticipated revenue is already a line item in the fiscal year 1986-87 DMH appropriation act.

ARGUMENTS:

For:

The funds from the sale of the surplus property have already been counted as revenue in the Department of Mental Health's 1986-87 budget, and legislation is necessary to authorize the sale of the property.

Against:

Some people would argue that money from the sale of state land should go to the general fund and not to restricted accounts.

POSITIONS:

The Department of Mental Health supports the bill. (5-14-87)

The Department of Management and budget supports the bill. (5-14-87)