



**House
Legislative
Analysis
Section**

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SUPER COLLIDER: REIMBURSE LOCAL GOV'TS.

House Bill 5519

Sponsor: Rep. Debbie Stabenow

Committee: Economic Development and Energy

Complete to 4-7-88

Mich. State Law Library

**A SUMMARY OF HOUSE BILL 5519 AS
INTRODUCED 3-23-88**

The Michigan Superconducting Super Collider Act was created in 1987 to establish procedures for state and local governments to help the state secure, finance and operate a proposed U.S. Department of Energy superconducting super collider. The bill would amend the act to provide for the purchase of land necessary for the project and to reimburse local units of government for taxes lost due to purchase of property. The bill would add to the definition of local government, "a local or intermediate school district," and would further clarify that adequate compensation be made by state or local government, contractors or other related persons to local governments and individuals for losses or damages resulting from "any aspect of preparation, planning, . . . or operation" of the proposed super collider. The bill would delete a repealer date for the act of July 1, 1989, and in its place would specify that all powers and duties of the Michigan Superconducting Super Collider Commission — the governing authority under the act — would be transferred to, and performed by, the Michigan Department of Commerce, effective July 1, 1991.

Land Purchasing Requirements. The commission would be required to purchase all real property necessary for the construction and operation of the super collider at a fair market value price greater than the current market value of each parcel or portion of a parcel of real property. The bill would define "fair market value" to be the highest value of a property as determined by one of the following methods of valuation: a value established by the commission; the average market value of similar real property in the vicinity of the property during the past ten years; a value determined by the bill's mediation provisions; or a value determined by a court of law if the property's value is contested. If the commission needed a portion of a parcel of real property for building or operating the super collider, it would be required to offer to buy the remainder of the contiguous real property for its current market value. The bill, however, would specify that the commission could purchase only the needed portion of property, if the property owner and the commission agreed to such terms.

The commission would be required to purchase options on all parcels of real property necessary for the construction and operation of the super collider at a price of ten percent of the state equalized valuation of the property. The option price could not be applied against the purchase price of the property if the option is exercised. The option would be for a period of one year after the federal government had committed itself to funding the super collider in this state, but could not exceed two years after the date the option was entered. The option would terminate if Michigan was not chosen by the federal government as the site for the super collider. After an option on a parcel of real property was terminated, the state would have to clear the title of the property as it was related to that option.

If the commission purchased a parcel of real property, the bill would require the commission to pay to the seller of the property all reasonable relocation costs incurred by the seller including, but not limited to, transportation, temporary housing, business interruption allowances and agricultural production losses.

Deferred Installment Payments. The bill would require the commission, at the option of a seller, to purchase property on a deferred installment payment schedule not to exceed ten years after the date of purchase. However, the commission, would receive title of the property at the time the deferred payment agreement was entered into. If property was purchased on a deferred payment schedule, the commission would be required to pay interest on the balance owing to the seller at the same rate as the state's rate of return on its investments in the common cash fund. In addition, the bill would specify that the seller could receive, upon request at any time, full payment of the outstanding principal, plus any accrued interest.

Subterranean Rights. The commission would be required to purchase stratified fee, underground, or subterranean rights necessary for the construction or operation of the super collider at a price of \$5 per linear foot or \$5 per 1,000 square feet, or at a price based on a formula developed by the commission. The bill also would require the commission to offer to purchase options on stratified fee, underground, or subterranean rights at a price of \$1 per linear foot or \$1 per 1,000 square feet. The option price could not be applied against the purchase price of the rights acquired if the option was exercised. The terms of an option purchased on subterranean rights would have to include the same provisions for the termination of the option as those specified for land options.

State Responsibility to Reimburse, Inform Local Governments. The bill would require the Department of Treasury to make payments in lieu of taxes to those local units of government which, due to the removal of property from the tax rolls for the establishment of the super collider, lost these ad valorem taxes. The treasurer of each local tax collecting unit affected would have to forward to the state treasurer a statement of payments lost due to the removal of property from the property tax rolls for the establishment of the super collider. The statement would have to include a description of each parcel of property purchased by the commission that was located within the assessing district of that local tax collecting unit.

After the state reimbursed the tax collecting unit, the treasurer would be required to distribute the payment to each tax levying unit in the same manner as distributions are made under the General Property Tax Act. These payments would continue for five years after the effective date of the bill, or until the state equalized valuation of the real property within the local unit exceeded the state equalized valuation of the real property that existed within the local unit of government on the effective date of the bill, whichever was later.

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The bill would require the legislature to appropriate from the general fund a sufficient sum to meet the expenditures necessary to carry out the requirements in the bill. Further, the bill would make a specific appropriation of \$750,000 for the purchase of options on property and rights-of-way necessary for the super collider project.

The state would have to pay, through an appropriation, the cost of initial county or secondary road construction or improvement needed for the construction or operation of the super collider. In addition, the commission would have to provide information and assist individuals in areas affected by the construction and operation of the super collider in obtaining job training for work associated with the super collider.

Mediation Panel. A person who alleges that he or she has or will suffer a loss or injury due to an action or a proposed action of the commission could request, in writing to the Department of Commerce, that the action or proposed action be submitted to a mediation panel for resolution. The mediation panel would be required to have one individual selected by the person requesting mediation, one individual selected by the commission and one individual selected jointly by the person requesting mediation and the commission. The mediation panel would then be required to set a date, time and place for a mediation conference on the matter in dispute, to take place within 30 days after the mediation request had been received by the department. The parties to the dispute or their representatives would be required to attend the conference and submit, orally or in writing, their positions on the matter. The mediation panel would have to discuss the differences with the parties or their representatives and would have to assist in settling these differences. Following the mediation conference, the mediation panel would have to determine a fair and equitable resolution to the dispute.

The bill would specify that all costs of mediation as provided under the bill would have to be borne equally by the person requesting mediation and the commission. Any mediation determination could be appealed to a court of law. The Department of Commerce would have to maintain, and make available upon request, a list of individuals who have experience and expertise in dispute resolution and who would be appropriate to sit on a mediation panel.

MCL 3.813, et al.