




Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 342 (as reported without amendment)
Sponsor: Senator Dennis Olshove
Committee: Commerce and Labor

Date Completed: 4-27-05

RATIONALE

In February 2003, Governor Jennifer Granholm issued Executive Order 2003-4, creating the bipartisan Michigan Land Use Leadership Council, which was co-chaired by former Governor William Milliken and former Attorney General Frank Kelley. The order charged the Council with studying and identifying the trends, causes, and consequences of urban sprawl and making recommendations to the Governor and the Legislature regarding policies designed to mitigate the negative effects of land use patterns on Michigan's environment and economy.

Chapter 4 of the Council's final report includes recommendations for urban revitalization, including some that relate to the siting of public facilities. The report recommends that the State "support the location of public offices and facilities in urbanized areas...to stimulate economic activity, encourage private reinvestment in urbanized areas, make optimum use of existing infrastructure, decrease sprawl, and increase accessibility of government services". The report urges the State to adopt policies that consider the use or reuse of existing facilities or plan new construction in areas with existing infrastructure rather than developing greenfield sites or locations that require the construction of new infrastructure. To that end, some believe that the Department of Management and Budget (DMB) should be required to direct State agencies to consider combining with other agencies when determining their need for additional facilities and consider whether addressing those needs would increase urban sprawl or reduce the use of existing infrastructure.

CONTENT

The bill would amend the Management and Budget Act to require the DMB to issue directives to all State agencies regarding the leasing or construction of additional facilities.

The directives would have to require that, before leasing or constructing additional facilities, a State agency, in conjunction with the DMB, make a written determination of all of the following:

- The agency's actual long- and short-term needs for the facilities.
- Whether the agency's needs could be satisfied by combining with other State agencies' facilities.
- Whether several agencies' needs could be satisfied by combining with other State agencies' facilities to create clusters of State facilities.
- Whether the agency's needs unnecessarily increased urban sprawl and unnecessarily reduced the effectiveness and integrity of State facilities' existing infrastructure.

By October 1, 2005, the DMB would have to report to the Senate and the House of Representatives on the current status of State facilities. The report would have to contain a complete inventory of, and a maintenance plan for, all State facilities.

Proposed MCL 18.1252a

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bill would further the goals of the Michigan Land Use Leadership Council by requiring the DMB to issue directives regarding State agencies' development and use of new facilities, the effect of new facilities on urban sprawl, and the use of existing infrastructure. By adopting policies consistent with the Council's recommendations, the State could optimize its use of existing infrastructure, help to reduce urban sprawl and preserve green space, and encourage private-sector redevelopment of urbanized areas. Indeed, the State already has pursued this approach to locating its facilities, as a Department of Environmental Quality facility recently was opened in a building that formerly served as a military tank production plant.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The Department of Management and Budget is currently in the process of developing the type of reviews that the bill would require as part of its long-term strategic space plan.

The Department would incur costs to comply with the proposed reporting requirement. The DMB currently has no estimate for costs.

Fiscal Analyst: Bill Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.