



**House
Legislative
Analysis
Section**

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SALE OF MUSKEGON ARMORY

RECEIVED

House Bill 4352 as enrolled
Second Analysis (3-15-88)

MAR 30 1988

Sponsor: Rep. Marvin L. Knight Mich. State Law Library
House Committee: Appropriations
Senate Committee: State Affairs, Tourism and
Transportation

THE APPARENT PROBLEM:

A new armory has been built in Muskegon, and there is no further use for the old armory. Boilerplate provisions in the supplemental appropriations act of 1984 (Public Act 224) authorized the State Administrative Board to sell the property to Muskegon County for the fair market value of the property. The county, however, is not interested in purchasing the property at that price since the building has been condemned by the City of Muskegon and demolition or renovation of the property could result in considerable costs to the county. In order to spare the state any further costs of providing maintenance and utility services to the armory and to encourage the city to put the property to good use, it has been suggested that the property be conveyed to the city for \$1, with the stipulation that the property be used solely for public purposes.

THE CONTENT OF THE BILL:

The bill would create a new act to authorize the State Administrative Board to convey the Muskegon Armory, now under the jurisdiction of the Department of Military Affairs, to the City of Muskegon for consideration of \$1. The property would have to be used exclusively for public purposes and upon termination of such use, would revert immediately to the state, which would not be liable for any improvements made at the city's expense. The conveyance would be made by quitclaim deed, reserving to the state all coal, oil, gas, and mineral rights. Revenue from the sale would have to be credited to the general fund.

The bill would also repeal the section of Public Act 224 of 1984 which authorized the State Administrative Board to convey the armory to the County of Muskegon for fair market value.

FISCAL IMPLICATIONS:

According to the Senate Fiscal Agency, the bill would result in an expenditure decrease for the state, since it would no longer be responsible for maintenance and utility costs for the armory. (2-26-88)

ARGUMENTS:

For:

The bill would relieve the state of any further costs for maintenance and utility services to an unused building and would enable the City of Muskegon to renovate and use the property without having to incur the additional expense of purchasing the condemned property at fair market value.

H.B. 4352 (3-15-88)