

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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MAR 29 1988

**House Bill 4352 (S-1 as reported)**

Sponsor: Representative Marvin L. Knight

House Committee: Appropriations

Senate Committee: State Affairs, Tourism, and Transportation

Date Completed: 2-26-88

**RATIONALE**

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 the County of Muskegon for fair market value. 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.

**CONTENT**

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 Public Act 224 of 1984, which authorized the State Administrative Board to convey the armory to the County of Muskegon for fair market value.

**SENATE COMMITTEE ACTION**

The Senate Committee adopted a substitute to House Bill 4352 which would allow the State Administrative Board to convey the armory to the City of Muskegon for \$1. The House-passed version of the bill would have allowed the board to convey the property to the highest bidder for fair market value.

**FISCAL IMPACT**

The bill would result in an expenditure decrease for the State since the State would no longer be responsible for maintenance and utility costs for the armory.

**ARGUMENTS****Supporting Argument**

The bill would relieve the State of any further costs of providing maintenance and utility services to an unused armory 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.

Legislative Analyst: L. Burghardt

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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.

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