



**House
Legislative
Analysis
Section**

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MILITARY LAND SALES

Senate Bill 516 as passed by the Senate
First Analysis (9-30-92)

Sponsor: Senator Jon Cisky
Senate Committee: State Affairs and
Military/Veterans Affairs
House Committee: Military and Veterans
Affairs

THE APPARENT PROBLEM:

At present, under the Michigan Military Act, State Military Board policies govern the disposal of armories and other state-owned military facilities. Each action is subject to approval by the legislature. In recent years, however, the board has experienced difficulty in transactions involving the sale or exchange of land. One example cited involved the exchange of an 80-acre parcel of privately owned land that was offered in exchange for a 4.6-acre parcel of unused state land that was under the jurisdiction of the Department of Natural Resources. Since current law doesn't specifically authorize the board to exchange land, legal problems delayed completion of the transaction for one and one-half years. Current law needs to be clarified, so that future opportunities for the board to acquire useful land or property are processed more efficiently. In addition, the board has requested that a fund be established for the construction of national guard armories, so that money obtained from the sale of military establishment property may be accumulated specifically for the purpose of acquiring facilities and training lands.

THE CONTENT OF THE BILL:

Senate Bill 516 would amend the Michigan Military Act to permit the State Military Board to sell or exchange military land and facilities, and to establish a Michigan National Guard Armory Construction Fund.

Sale of Military Establishment Land and Facilities. Under the bill, if it determined that Michigan National Guard armories, facilities, or lands under the state military establishment's jurisdiction were obsolete or inadequate, the State Military Board would be permitted to sell them at fair market value

or exchange them at fair market value for other lands owned by private concerns or by the federal government or local units of government. The sales would be made in accordance with policies established by the board; in accordance with procedures established by the Department of Management and Budget; and would be subject to approval by the State Administrative Board.

Legislative Report. The Department of Military Affairs would be required to report transactions of armories, facilities, or lands to the appropriate standing committees of the Senate and House not later than July 31, 1993, and July 31 of each year thereafter.

Michigan National Guard Armory Construction Fund. The fund would be established as a separate fund in the state treasury and would receive all money received as gifts, or from the sale, transfer, or exchange of land and facilities. Expenditures from the fund would be made exclusively by the director of the State Military Board for the acquisition of facilities and training lands, and to construct new facilities. Each expenditure would be subject to legislative appropriation. Money in the fund would remain there at the close of each fiscal year and would not revert to the general fund. The unexpended portion would be invested by the state treasurer, and earnings would be credited at the state treasurer's common cash investment income rate.

MCL 32.768 et al.

FISCAL IMPLICATIONS:

Fiscal information is not available. (9-30-92)

Senate Bill 516 (9-30-92)

ARGUMENTS:***For:***

The bill would give the State Military Board the authority to sell or exchange land according to Department of Management and Budget (DMB) procedures, and to deposit money from such sales into a national guard armory construction fund. These provisions would help the board in disposing of land for which it had no further use, and in acquiring land for new facilities. The bill would also establish in statute that military establishment property, such as old armories, could not be conveyed by the state, but would remain under the jurisdiction of the board.

Against:

The bill would seem to grant the State Military Board the authority to circumvent the legislative process by eliminating current provisions requiring legislative approval of property transactions by the board. Currently, legislation must be enacted to effect each exchange, conveyance, or transfer of state lands. Without this provision in the bill, the legislature would have no control over this state-owned land.

Response:

Under the bill, the disposal of armories, facilities, or land would be subject to approval by the State Administrative Board. The military board anticipates that this change would allow sales or transfers of property to be accomplished more efficiently. In addition, the military board would still have to submit annual reports to the legislature on actions it had taken concerning the exchange or sale of property.

POSITIONS:

The Department of Management and Budget supports the bill. (9-30-92)