
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5069 (Substitute S-1 as reported)
Sponsor: Representative Lynne Martinez
House Committee: Regulatory Affairs
Senate Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would allow the State Administrative Board to convey all or a portion of real property, currently under the jurisdiction of the Department of Management and Budget and located in Lansing, Ingham County, to the City of Lansing.

The city would have an exclusive right for 12 months after the bill's effective date, to purchase the property for \$1 if it were used for public purposes, and for fair market value if it were used for nonpublic purposes, or an adjusted price if portions of the property were used for public and nonpublic use. If the property were not sold, the Director of the Department would have to offer the property for sale on the open market for fair market value or by broker contract. If the property were still not sold, the Director and the State Administrative Board could order a reappraisal of the property; withdraw the property from sale; or offer the property for sale at less than fair market value. Any conveyance of the property for less than fair market value would have to require the property to be used exclusively for public purposes.

The bill also specifies that the conveyance would not reserve the mineral rights to the State, but it would have to provide that if the grantee derived any revenue from the development of minerals found on, within, or under the property, the grantee would have to pay one half of that revenue to the State, for deposit in the State's General Fund.

The net revenue received from the conveyance would have to be deposited in the State Treasury and credited to the General Fund. ("Net revenue" would mean the proceeds from the sale of the property described in the bill less reimbursement for any costs to the State associated with the sale.)

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would result in additional revenue to the State, which would depend on the actual sale price of the 23.5 acres. No current appraisal of the property presently exists. The State also would realize savings from no longer having to maintain the property.

Date Completed: 9-22-98

Fiscal Analyst: M. Hansen

[floor/hb5069 \(S-1\)](#)

Analysis available @ <http://www.michiganlegislature.org>

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.