

CONVEY FORMER MICHIGAN SCHOOL FOR THE BLIND

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House Bill 5354 (Substitute H-3)
Sponsor: Rep. Michael C. Murphy
Committee: Regulatory Reform

Complete to 2-24-06

A SUMMARY OF HOUSE BILL 5354 AS REPORTED FROM COMMITTEE 2-21-06

The bill would authorize the State Administrative Board to convey the site of the former Michigan School for the Blind located in north Lansing, which is under the jurisdiction of the Department of Education. The property would be conveyed for fair market value, as determined by independent appraisals. The Department of Management and Budget would be required to first offer the property for sale to the Mid-Michigan Leadership Academy, a K-8 public school academy (or charter school) chartered by Central Michigan University. The academy currently leases use of the property from the state.

The Mid-Michigan Leadership Academy would have 180 days to exercise its right to purchase the property. If it did not, the property would be sold, in order to receive the best value to the state, either through competitive bidding; public auction; the services of a real estate broker; or by offering the property for sale to a local unit or units of government. The fair market value of the property would be an amount equal to the average of three separate appraisals prepared for DMB by three independent appraisers, including the appraisal prepared for the department for that property before the effective date of this bill.

The net revenue received from the sale of the property under the bill would be distributed as follows: (1) Five percent of the net revenue or \$50,000, whichever is less, would be deposited in the state treasury and credited to the Newsline for the Blind Fund; (2) Five percent of the net revenue or \$50,000, whichever is less, would be deposited in the Michigan School for the Blind Trust Fund to be used for the support of Camp Tuhsmeheeta in Greenville, Michigan; and the balance of the net revenue, would be credited to the General Fund. The School for the Blind Trust Fund is managed by the Department of Education.

The Newsline for the Blind Fund would be created by the bill within the State Treasury; money in the fund would carry over each fiscal year. The fund would be used only for distribution to the National Federation of the Blind of Michigan for the purpose of the NFB-Newsline Program.

If a local unit of government purchased the property and intended to convey it within ten years, the local unit would have to provide written notice to the director of DMB; the DMB would retain a right to first purchase of the property at the original sale price, plus the cost of improvements. If the state waived its first refusal right, the local unit would

have to pay to the state 50 percent of the difference between the sale price of the conveyance from the state and the sale price of the local unit's subsequent sale.

FISCAL IMPACT:

The state would gain a one-time revenue increase by the sale of the property at fair market value.

BACKGROUND INFORMATION:

A bill currently pending before the Senate Appropriations Committee, Senate Bill 940, would convey the site of the former Michigan School for the Blind (as well as an unrelated four-acre parcel east of the State Capitol) to the City of Lansing for fair market value.

Debate over House Bill 5354 involved two issues: (1) To whom the property should be conveyed; and (2) How proceeds from the sale should be distributed. Representatives of the Mayor of Lansing and of housing groups have expressed interest in portions of the property for residential housing. There have also been proposals for use of the property as an MSB alumni center. Representatives of organizations serving the blind or visually impaired have argued for a larger share of the proceeds, noting that the former School for the Blind was the recipient over the years of substantial private contributions.

POSITIONS:

Mid-Michigan Leadership Academy supports the bill. (2-7-06)

Central Michigan University has indicated support for the bill. (2-7-06)

A representative of the Mayor of the City of Lansing indicated opposition to the bill. (2-7-06)

National Federation of the Blind opposes the bill. (2-7-06)

A representative of Opportunities Unlimited for the Blind indicated opposition to the bill. (2-21-06)

The Greater Lansing Housing Coalition indicated opposition to the bill. (2-21-06)

Habitat for Humanity Lansing indicated opposition to the bill (2-21-06)

The Old Town Commercial Association indicated opposition to the bill. (2-21-06)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.