

Legislative Analysis



Property Conveyance - Ypsilanti State Police Post

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 1133 (S-1)

Sponsor: Senator Rebekah Warren

House Committee: Appropriations

Senate Committee: Appropriations

Complete to October 29, 2012

A SUMMARY OF SENATE BILL 1133 (S-1) AS PASSED BY THE SENATE 9/13/12

Senate Bill 1133 (S-1) would authorize the State Administrative Board to convey all or portions of state-owned property in Washtenaw County. The property is located in Ypsilanti Township, is commonly known as the Ypsilanti State Police Post #26, and is currently under the jurisdiction of the Department of State Police.

An approximate legal description of the property is set forth in the bill and the property would include all surplus, salvage, and scrap property or equipment remaining on the property as of the date of the conveyance. The bill would require the fair market value of the property to be determined by an appraisal prepared for the Department of Technology, Management, and Budget (DTMB) by an independent appraiser.

Before offering the property for public sale, DTMB would be required to offer the property to the local units of government in which the property is located for \$1.00. A local unit of government would have to complete the purchase within 180 days after the effective date of the bill.

If the property is not conveyed to a local unit of government, DTMB would be required to convey the property through competitive bidding, public auction, real estate brokerage services, offering the property for sale for fair market value to a local unit of government, or offering the property for sale for less than fair market value to a local unit of government.

If the property is conveyed for less than fair market value, the property would be required to be used exclusively for public purposes. Any fees, terms, or conditions applied for use of the property, or waivers of those fees, terms, or conditions, would be required to be applied uniformly to all members of the public. The state would be authorized to reenter and repossess the property if these conditions were not met and would not be liable for reimbursement to any party for improvements made on the property. The purchaser or grantee could be requested to reimburse the state for all costs necessary to prepare the property for conveyance.

If the property is conveyed to a local unit of government, and the local unit intends to convey the property within 10 years after purchasing the property from the state, the local unit would be required to notify DTMB and DTMB would retain a right to first purchase

the property at the original sale price within 90 days after the notice. If the state repurchases the property, the state would not be liable to any party for improvements to, or liens placed on, the property. If DTMB waives the right to first purchase, the local unit would be required to pay the state 40% of the difference between the sale price of the conveyance and the sale price of the subsequent sale to a third party.

The property would be conveyed by a quitclaim deed approved by the Attorney General. The state would not reserve oil, gas, or mineral rights to the conveyed property, but the purchaser or any grantee would be required to pay the state one-half of any gross revenue generated from the development of oil, gas, or minerals found on, within, or under the conveyed property. The state would reserve all rights in aboriginal antiquities, including the right to explore, excavate, and take them. Aboriginal antiquities include mounds, earthworks, forts, burial and village sites, mines, and other relics lying on, within, or under the property.

Net revenue received under the bill would be credited to the General Fund. Net revenue is defined in the bill as being the proceeds from the sale of the property less reimbursement for administrative costs, including employee wages, salaries, benefits, costs of reports and studies and other materials necessary to the preparation of the sale, environmental remediation, legal fees, and any litigation expenses related to the conveyance of the property.

BACKGROUND:

The Ypsilanti State Police Post was constructed in 1975 and includes an 8,769-sq. ft. facility which is situated on approximately 3.7 acres of land. The post currently sits vacant. It closed in October 2011 as part of the Department of State Police's Regional Policing Plan. Ypsilanti Township has expressed interest in obtaining the property and moving their contract police operation, which consists of about 45 county deputies and supervisors, to the facility.

FISCAL IMPACT:

If a local unit of government purchases the property, the net revenue to the state will be \$1.00. If the property is sold to someone other than a local unit of government, the net revenue to the state will be the proceeds from the sale less reimbursement for administrative costs, costs of reports, studies, and environmental remediation, legal fees, and any litigation costs related to the conveyance of the property. An estimate of the fair market value of the property currently is not available.

Fiscal Analyst: Robin R. Risko

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