



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 1133 (as introduced 5-17-12)
Sponsor: Senator Rebekah Warren
Committee: Appropriations

Date Completed: 6-12-12

CONTENT

The bill would authorize the State Administrative Board to convey certain State-owned property located in Ypsilanti Township, commonly known as the Ypsilanti State Police Post #26. The property would include all surplus, salvage, and scrap property or equipment remaining on the property as of the date of the conveyance. The Ypsilanti State Police Post was constructed in 1975 and includes an 8,769-square-foot facility situated on approximately 3.7 acres. The post was closed to the public in October 2011 as part of the new Regional Policing Plan and there are no State Police staff currently working out of the building.

The bill would require that the property first be offered to the local units of government in which the property is located for \$1. A local unit of government would have to complete the purchase within 180 days after the bill's effective date. If the property were not sold to a local unit of government, the Department of Technology, Management, and Budget would have to take necessary steps to convey the property through competitive bidding, a public auction, real estate brokerage services, conveying the property to the Land Bank Fast Track Authority, 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.

A conveyance for less than fair market value would have to require that the property be used exclusively for public purposes, and provide that the State would be entitled to reenter and repossess the property, if that condition were not met. If the State repossessed the property, the State would not be liable to reimburse any party for any improvements made on the property. Any fees, terms, or conditions for the use of the property would have to be applied uniformly to resident and nonresident members of the public. If the property were sold to a local unit of government for less than fair market value and the local unit intended to convey the property within 10 years of the conveyance from the State, the local unit would have to notify the State and the State would retain a right to first purchase the property at the original sale price. If the State waived its first refusal right, the local unit of government would have to pay to the State 40% of the difference between the sale price of the conveyance from the State and the sale price of the local unit's subsequent sale or sales to a third party.

All rights in aboriginal antiquities, including mounds, earthworks, forts, burial and village sites, mines, and other relics, on, within, or under the property, would be reserved by the State. The State would not reserve the oil, gas, or mineral rights to the property conveyed. However, if the purchaser or any grantee developed any oil, gas, or minerals found on,

within, or under the property, the purchaser or grantee would have to pay the State one-half of the gross revenue generated from the development of the oil, gas, or minerals.

FISCAL IMPACT

Revenue to the State would depend on whether the property was conveyed to a local unit of government for less than fair market value to be used for public purposes or whether the property was conveyed in a manner to obtain the best value to the State. There is no current assessment or appraisal of the property. Ypsilanti Township has expressed interest in obtaining the property to house Washtenaw County officers who provide public safety services for the township. Any revenue from the conveyance would be deposited in the State General Fund.

Fiscal Analyst: Bill Bowerman

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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.