



Senate Fiscal Agency
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Senate Bill 509 (as reported without amendment)
Sponsor: Senator Randy Richardville
Committee: Government Operations

CONTENT

The bill would create a new act to authorize the Secretary of the Senate to convey the Farnum Building, located in Lansing, for at least fair market value; appropriate the net revenue to the Michigan Senate; and require the funds to be used for acquiring or leasing office space for the Senate.

Specifically, the Secretary of the Senate could convey by quit claim deed, for not less than fair market value, all or portions of State-owned property now under the jurisdiction of the Michigan State Senate, commonly known as the Farnum Building. The property would include all surplus, salvage, and scrap property or equipment identified by the Secretary of the Senate. The fair market value would have to be determined by an appraisal prepared by an independent appraiser.

The net revenue from the sale would be appropriated to the Senate and would have to be credited to the "Farnum Building and Other Properties Fund", to be used as directed by the Secretary of the Senate for acquiring or leasing office space for the Senate. The funds would be designated as work project appropriations, and would continue to be available for expenditure until the project had been completed.

("Net revenue" would mean the proceeds from the sale of the property less reimbursement for any costs to the State associated with the sale, including administrative costs, costs of reports and studies and other materials necessary to the preparation of sale, environmental remediation, legal fees, and litigation costs related to the conveyance.)

All State agencies and departments would have to provide full cooperation to the Secretary of the Senate to facilitate the performance of his or her duties, powers, and responsibilities and the conveyance of property under the bill. The Secretary of the Senate could require a State agency or department to prepare or record any documents necessary to evidence the conveyance.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The Farnum Building was purchased by the State in 1978 for \$3.0 million. The building was recently appraised at \$5.4 million, and the parking lot at \$225,000. Net revenue from the sale would be appropriated to the Senate.

Date Completed: 11-13-13

Fiscal Analyst: Bill Bowerman