



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 1036 (as reported without amendment)
Sponsor: Senator Wayne Schmidt
Committee: Banking and Financial Institutions

CONTENT

The bill would authorize the Department of Technology, Management, and Budget (DTMB), on behalf of the State, to convey by quitclaim deed or transfer by affidavit of jurisdictional transfer all or portions of State-owned property now under the jurisdiction of the Department of Corrections in Ionia, Grand Traverse, and Tuscola Counties, consisting of eight parcels described in the bill (the Deerfield Correctional Facility Parcel, Camp Pugsley Parcels 1 and 2, and Camp Tuscola Parcels A through E).

The DTMB would be required to convey the Camp Pugsley parcels to the Michigan Land Bank Fast Track Authority for \$1. The Authority would have to sell the property in a manner that would realize the greatest benefit to the State.

Regarding the Deerfield Correctional Facility and Camp Tuscola parcels, the DTMB could do the following:

- Transfer the parcels to another State agency through jurisdictional transfer.
- Take steps to convey the property using a competitive method of sale, offering it for sale for fair market value to one or more local units of government, or exchanging it for other property of reasonably equal value.
- Offer to sell the property for less than fair market value to local units of government, subject to public use restrictions and other conditions.
- Transfer the property to the Michigan Land Bank Fast Track Authority.

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have an indeterminate impact on State and local government depending on terms of the conveyance, including whether the property was sold for fair market value, transferred through jurisdictional transfer to another State agency, exchanged for other property, sold to a local unit of government for less than fair market value, or transferred to the Michigan Land Bank Fast Track Authority (as the bill would require for the Camp Pugsley parcels in the Fife Lake Township). The Authority has the wide discretion to transfer property in a manner calculated to realize the greatest benefit to the State.

The Department of Corrections has no estimate regarding the prospective value of the parcels. Net revenue received by the State from property transferred to the Michigan Land Bank Fast Track Authority and subsequently sold would be deposited in the Land Bank Fast Track Fund to be used for the demolition and remediation of State-owned property. Net revenue from the sale of property not transferred to the Authority would be deposited in the General Fund.

Date Completed: 6-4-18

Fiscal Analyst: Bill Bowerman

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Bill Analysis @ www.senate.michigan.gov/sfa

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