



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

BILL ANALYSIS



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

Senate Bill 462
Sponsor: Senator Don Koivisto
Committee: Local, Urban, and State Affairs

Date Completed: 5-15-95

SUMMARY OF SENATE BILL 462 as introduced 4-25-95:

The bill would authorize the State Administrative Board, on behalf of the State, to convey to the highest bidder for at least fair market value property currently under the jurisdiction of the Department of Corrections and located in the city of Marquette, in Marquette County, as well as property under the jurisdiction of the Department of State Police and located in L'Anse Township, in Baraga County.

The fair market value of these properties would have to be determined by an appraisal based on their highest and best use, as prepared by the State Tax Commission or an independent fee appraiser.

The revenue received from the conveyance of the parcel in Marquette County would have to be deposited in the State Treasury and credited to the General Fund. The conveyance of the parcel in Baraga County would have to provide that the revenue received would be applied first to the reimbursement of the State Police for costs associated with the sale of the property and that the remaining revenue would be deposited in the State Treasury and credited to the General Fund.

The bill specifies that the descriptions of these parcels in the bill were approximate and for purposes of the conveyances would be subject to adjustment as the Administrative Board or Attorney General considered necessary by survey or other legal description.

The conveyances would have to be by quitclaim deed approved by the Attorney General and would have to reserve to the State all rights to coal, oil, gas, and other materials, excluding sand, gravel, clay, or other nonmetallic minerals found on, within, or under the conveyed lands.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have an indeterminate fiscal impact.

The first parcel described in the bill, currently under the jurisdiction of the Department of Corrections and located in Marquette, Michigan, represents approximately 1.25 acres not adjacent to the Branch Prison. The Department of Corrections has indicated that the parcel is not of any use for correctional purposes. The Department of Management and Budget has indicated that an appraisal of the property has not been completed, and would not speculate on the actual value of

the parcel. Sale at fair market value as required by the bill would result in an indeterminate positive impact on the State General Fund.

The second parcel described in the bill, currently under the jurisdiction of the Department of State Police and located in Baraga County, represents approximately eight acres not adjacent to any facility or function of the State Police. The Department of State Police has indicated that it believes the property to be an abandoned communications tower site. The bill would require that, from the proceeds of sale of this property at not less than fair market value, the Department receive "reimbursement" for "costs associated with the sale of the property". These costs could include filing fees, advertisements, surveys, environmental impact statements, etc. As with the prior property, the Department of Management and Budget has not contracted for an appraisal of the property and would not speculate on the potential sale value of the parcel. Sale at fair market value, minus any reimbursement to the Department of State Police for costs associated with the sale, would result in an indeterminate positive impact on the State General Fund.

Fiscal Analyst: R. Abent

S9596\S462SA

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.