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BILL



ANALYSIS

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Senate Bill 922 (Substitute S-3 as reported)

Sponsor: Senator Leon Stille

Committee: Economic Development, International Trade and Regulatory Affairs

## **CONTENT**

The bill would amend the Management and Budget Act to provide for the sale of certain surplus State-owned land and allocate the proceeds of the sale to the Revitalization Revolving Loan Fund proposed by Senate Bill 919 and to the Surplus State Land Revolving Loan Fund that would be created by this bill to pay the expenses incurred by the Department of Management and Budget (DMB) in preparing surplus land for sale. Specifically, the bill would require the head of each State department having control and supervision over State-owned land, whose the sale or disposition was not otherwise provided for by law, to notify the DMB Director whether any of the State-owned land was no longer needed, and the reasons why it was no longer needed. This requirement would not apply to property under the jurisdiction of the Departments of Natural Resources, Transportation, and Military Affairs, and State institutions of higher education.

The DMB Director would have to determine whether any of the land should be declared surplus and offered for sale or otherwise disposed of by transferring custodial control to other State departments. Before offering any surplus State-owned land for sale, however, the DMB Director would have to determine its fair market value, and offer it for sale for fair market value to the local units of government in which it was situated. Surplus State-owned land not sold to a local unit would have to be offered for public sale for fair market value. Sales would have to continue until all parcels were sold, or until the Director ordered a reappraisal, withdrew the remaining pieces of State-owned land from sale, or determined that the land should be sold for less than fair market value because it was not in the best interest of the State to continue to hold and maintain the land.

Unless otherwise provided by law, net proceeds from the sale of surplus State-owned land that were received each fiscal year, up to \$1 million, would have to be transmitted to the State Treasurer and then credited to the Revitalization Revolving Loan Fund. The remaining net proceeds received each State fiscal year would have to be credited to the proposed Surplus State Land Revolving Fund. The DMB could use any money remaining after expenses for response activities on surplus State-owned land.

Proposed MCL 18.1224 & 18.1224a

Legislative Analyst: L. Burghardt

## **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on State and local government, depending upon the amount and value of land sold.

The Department of Environmental Quality has estimated that this bill would generate \$1 million in revenue to the Revitalization Revolving Loan Fund to provide loans to local units of government for environmental cleanup purposes. Any remaining proceeds would be credited to the Surplus State Land Revolving Fund, to be used to cover administrative costs and cleanup costs on State surplus land.

Date Completed: 5-21-96

Fiscal Analyst: G. Cutler

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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.