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S.B. 874: FLOOR ANALYSIS

Senate Bill 874 (as reported by the Committee of the Whole)

Sponsor: Senator Michael Bishop Committee: Appropriations

## **CONTENT**

The bill would amend Public Act 492 of 1998, which authorizes the State Administrative Board, on behalf of the State, to convey for at least fair market value the Fairlawn Center campus of the former Clinton Valley Center in Pontiac, to require that the property first be offered for sale to the school district of the city.

The school district would have the first right of refusal for a period of 120 days after the bill's effective date. The school district still would be required to pay the fair market value of the property. If within three years after the date of purchase, the school district conveyed the property for any purpose other than public education, the district would have to pay the State 50% of the net profit realized from the conveyance.

If the school district did not purchase the property, the Director of the Department of Management and Budget would have to offer the property for sale on the open market.

## **FISCAL IMPACT**

The bill would have no direct fiscal impact on State government. Under the bill, the property still would have to be conveyed at fair market value. According to the Department of Management and Budget, the Fairlawn Center campus property has an appraised value of \$2.6 million. The only fiscal impact of the bill would occur if the extra time offered to the Pontiac School District to purchase the property in some way caused other potential buyers to withdraw from consideration, negating the opportunity of a future sale, or if the district resold the property within three years and had to pay half of its profit to the State.

Date Completed: 3-3-04 Fiscal Analyst: Mike Hansen