



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 844 (as reported without amendment)
Sponsor: Senator Rick Jones
Committee: Local Government

CONTENT

The bill would create a new act to do the following:

- Require the State Administrative Board to convey certain State-owned property in Ingham County to Emergent BioDefense Operations Lansing, LLC, for fair market value.
- Require the fair market value of the property to be determined by an appraisal prepared by an independent appraiser.
- Require Emergent BioDefense Operations to complete the conveyance within 180 days after the bill was enacted.
- Require net revenue received under the act to be credited to the General Fund.

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

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Revenue generated to the State General Fund from the sale of the property would be based on a future appraisal. The property is under the jurisdiction of the Department of Technology, Management, and Budget (DTMB), and the State has had title to the property dating back to at least the 1930s. There is a building on the property that was constructed in 1948. The property is bounded by Emergent BioDefense Operations, Lansing, LLC, and by a Department of Health and Human Services laboratory. Emergent is currently in control of the property under a one-year rental agreement. According to the DTMB, as payment for that agreement, Emergent is authorized to remove the shed on the property, reducing the State's liability. There is value to the State from this agreement because the structure is surplus to State needs, and in need of demolition and remediation.

Date Completed: 4-13-16

Fiscal Analyst: Bill Bowerman