



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 960 (as introduced 3-15-22)
Sponsor: Senator Sean McCann
Committee: Appropriations

Date Completed: 5-10-22

CONTENT

The bill would allow the State Administrative Board to transfer all or a portion of approximately 138 acres owned by the State under the jurisdiction of the Department of Environment, Great Lakes, and Energy (EGLE) at 2500 West W Avenue in Schoolcraft Township in Kalamazoo County. The bill would allow for the property to be transferred in any of the following manners:

- Sold for fair market value in a publicly disclosed competitive sale process.
- Sold for fair market value to one or more local units of government.
- Jurisdictional transfer to another State agency or the State Land Bank Authority.
- Exchanged for other real property.
- Sold for less than fair market value to a local unit of government.

If the property were sold for less than fair market value, the bill would require the Department of Technology, Management, and Budget (DTMB) to offer the property to the first local unit of government to make an offer on the property. If there were competing offers, the DTMB would have to decide on a purchaser based on the best interests of the State. Following a conveyance for less than fair market value, the property would have to be used exclusively for a public use for 30 years following the conveyance. If the purchasing local unit of government wished to convey the property within that 30-year window, it would have to first offer the property for sale back to the State for the original purchase price.

Finally, the bill would require the proceeds from the sale of the property to be credited to the Cleanup and Redevelopment Fund.

FISCAL IMPACT

The bill would have a positive fiscal impact on the State, and an indeterminate fiscal impact on local units of government. The Cleanup and Redevelopment Fund would receive any proceeds from the sale of the property and, following the transfer of the property, EGLE would no longer be responsible for care or maintenance of the property. From the perspective of local units of government, the fiscal impact of the bill would depend largely on how the property was sold and which type of entity received it. If the property were sold to a private buyer, local units of government would receive property tax revenue from that buyer. If the buyer were a local unit of government, then the fiscal impact would depend on what that local unit did with the property, whether the local unit spent its own money developing the property, and whether the purchase of the property was an alternative to the purchase of another potentially more or less expensive property.

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