



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5529 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Representative Michael C. Murphy
House Committee: Regulatory Reform
Senate Committee: Appropriations

CONTENT

The bill would authorize the State Administrative Board to convey approximately 39 acres of State-owned property to the City of Lansing for \$1. The property would have to be used for a city-owned public golf course or other public purpose. Any fee, term, or condition for use of the property would have to apply to both resident and nonresident members of the public. If the property were no longer used for a public purpose, the State could reenter and repossess the property. The conveyance would have to be by quitclaim deed approved by the Attorney General, and could not reserve the mineral rights to the State.

The bill also would authorize the State Administrative Board to convey approximately 1.6 acres of land in Grand Rapids to the City of Grand Rapids or an entity formed by the city, for not less than fair market value as determined by an independent appraiser. The State Board could require a State department to prepare or record any documents necessary to evidence the conveyance.

The conveyance would have to be by quitclaim deed approved by the Attorney General, and could not reserve the mineral rights to the State. If, however, the purchaser of the property were to develop the mineral rights, the State would receive half of the gross revenue generated. The State would reserve all rights in aboriginal antiquities including mounds, earthworks, forts, burial and village sites, mines, or other relics.

The net revenue generated from the conveyance would have to be credited to the State's General Fund. Net revenue would be defined as the proceeds from the sale less reimbursement for any costs associated with the sale, and the cost of providing replacement parking for State employees in the downtown area of Grand Rapids.

FISCAL IMPACT

The first parcel described in the bill is part of the Groesbeck Golf Course in the City of Lansing, which was reportedly inadvertently left off of the original conveyance of the property from the State to the city under Public Act 531 of 1996. The city has been using the property as a golf course for many years, even though it still belongs to the State.

The conveyance of the Grand Rapids parcel would have an indeterminate fiscal impact on State and local government. A current appraisal does not exist. Reportedly, however, the sale of the property would cover the cost of providing the 150 parking spaces currently provided by surface parking on the site, with new spaces in a 2000-place structure being proposed as part of the development of the entire site, including the 1.6-acre parcel.

Date Completed: 11-10-04

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