

Legislative Analysis



PROPERTY CONVEYANCES INGHAM COUNTY – CITY OF LANSING

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Senate Bill 844 as passed the Senate
Sponsor: Sen. Rick Jones
Committee: Appropriations

Analysis available at
<http://www.legislature.mi.gov>

Complete to 5-16-16

SUMMARY:

Senate Bill 844 would require the State Administrative Board, on behalf of the State of Michigan, to convey state-owned property to Emergent BioDefense Operations Lansing, LLC, or its successors or assigns, for fair market value. The fair market value of the property must be determined by an appraisal prepared for the Department of Technology, Management, and Budget (DTMB) by an independent appraiser.

The property consists of .16 acres of land and is located in the Ingham County, City of Lansing, and is currently under the jurisdiction of the DTMB. Approximate legal descriptions of the property are set forth in the bill and the conveyance of the property must include all surplus, salvage, and scrap property or equipment.

The State Administrative Board would be required to convey the property by quitclaim deed designed or approved by the Attorney General and Emergent BioDefense would be required to complete the conveyance within 180 days of the effective date of the act.

The State would be prohibited from reserving oil, gas, or mineral rights in the property. However, the conveyance would be required to provide that if the purchaser/grantee developed any oil, gas, or minerals found on, within, or under the conveyed property, the purchaser/grantee must pay the State ½ of the gross revenue generated. Any payment would be required to be deposited in the General Fund.

The State would reserve all rights in aboriginal antiquities, including the right to explore, excavate, and remove. Aboriginal antiquities are defined as mounds, earthworks, forts, burial and village sites, mines, or other relics lying on, within, or under the property.

Net revenue received under the bill would be credited to the General Fund. Net revenue is defined as the proceeds from the sale of the property less reimbursement for any costs associated with the sale of the property, including, but not limited to, administrative costs; costs of reports and studies and other materials necessary to the preparation of sale; environmental remediation; legal fees; and any litigation related to the conveyance of the property.

BACKGROUND:

The property described in the bill consists of .16 acres in the Ingham County, City of Lansing. The State of Michigan has had title to the property dating back to the 1930s. In 1948, the state constructed a building on the property. The property is bounded by Emergent BioDefense and the Department of Health and Human Services laboratory. The State is not using the property or structure and considers the land surplus property.

Emergent BioDefense would like to redevelop its parking lot to increase security and improve the flow of pedestrian and vehicle traffic and as part of the project they would like to obtain this parcel of property. Emergent BioDefense is currently in control of the property under a one-year rental agreement and as part of the agreement Emergent BioDefense is authorized to remove the 350 square-foot structure on the property.

FISCAL IMPACT:

Net revenue to the General Fund would equal the proceeds from the sale less reimbursement for any costs associated with the property. An estimate of fair market value is not available. According to DTMB, in addition to the net proceeds, there would be savings to the State because the land and structure are considered surplus and in need of demolition and remediation.

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