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**BILL ANALYSIS**

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Senate Bill 844 (as introduced 3-8-16)  
Sponsor: Senator Rick Jones  
Committee: Local Government

Date Completed: 3-22-16

**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 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.**

Specifically, the bill would require the State Administrative Board, on behalf of the State, to convey a certain parcel of property in Ingham County that is under the jurisdiction of the Department of Technology, Management, and Budget (DTMB) to Emergent BioDefense Operations Lansing, LLC, or its successors or assigns, for fair market value.

The fair market value of the property would have to be determined by an appraisal prepared for the DTMB by an independent appraiser.

Emergent BioDefense Operations would have to complete the conveyance within 180 days after the bill's effective date. The Board would have to make the conveyance by quitclaim deed designed or otherwise approved as to legal form by the Attorney General.

The State could not reserve oil, gas, or mineral rights to the property. The conveyance would have to provide, however, that if the purchaser or any grantee developed any oil, gas, or minerals found on, within, or under the conveyed property, the purchaser or any grantee would have to pay the State one-half of the gross revenue generated from the development of oil, gas, or minerals. Any payment from revenue generated from that development would have to be deposited into the General Fund.

The State would reserve all aboriginal antiquities including mounds, earthworks, forts, burial and village sites, mines, or other relics lying on, within, or under the property with power to the State and all others acting under its authority to enter the property for any purpose related to exploring, excavating, and taking away aboriginal antiquities.

Net revenue received under the Act would have to be deposited in the State Treasury and 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 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 the 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.

Fiscal Analyst: Bill Bowerman

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