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House Bill 4861 (Substitute H-3 as passed by the House)
Sponsor: Representative Will Snyder
House Committee: Local Government and Municipal Finance
Senate Committee: Local Government

Date Completed: 10-31-23

CONTENT

The bill would authorize the State Administrative Board, on behalf of the State, to amend a previous property conveyance for parcels in Muskegon County, in the City of Muskegon. The bill would allow the State to repurchase the parcels in question for \$1, and then convey those parcels back to Muskegon County. These parcels were originally conveyed to Muskegon County in 1996 with a restriction that all those parcels be used for a public purpose. The bill would allow the State to reconvey a portion of the parcels, totaling approximately 3.47 acres, back to Muskegon County for \$1, and would require those parcels to be used for a public purpose.

The bill also would allow a portion of those parcels, totaling approximately 9.48 acres, to be sold to Muskegon County for fair market value plus reasonable transaction costs; those parcels would not have a use restriction. The bill would require appraisal of fair market value to be conducted by an employee or contractor of the Department of Technology, Management, and Budget. The bill would direct proceeds from this sale to the State General Fund (GF).

BACKGROUND

The parcels are currently occupied by Muskegon County government office buildings. According to testimony before the House Local Government and Municipal Finance Committee, Muskegon County wishes to sell the 9.48-acre set of parcels to a nonprofit called the Kids' Food Basket, and to maintain use of the 3.47-acre set of parcels as a County facility. The remainder of County offices at the site are being relocated to another property owned by Muskegon County.

FISCAL IMPACT

The bill would have an unknown, but likely positive fiscal impact on the State. The fair market value of the 9.48-acre set of parcels is unknown, but if Muskegon County were to repurchase those parcels, the State GF would receive the proceeds in the amount of the fair market value for that set of parcels.

The fiscal impact on Muskegon County is unknown and would largely depend on the final disposition of the 9.48-acre set of parcels. Selling the parcels would generate some one-time revenue for the County, as well as provide the County with savings related to ongoing maintenance and security of those parcels.

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.