



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1320 (as enrolled)
Sponsor: Senator Gerald Van Woerkom
Senate Committee: Appropriations
House Committee: Appropriations

Date Completed: 12-15-10

CONTENT

The bill, as passed by the Senate, would authorize the State Administrative Board to convey 40 acres of property located in Free Soil Township, Mason County. The property, commonly known as the Camp Sauble Correctional Facility, is currently under the jurisdiction of the Department of Corrections. The Camp was closed in May 2005. The House included the authorization to sell the Adrian Training School to the City of Adrian. The property includes 55 acres and approximately 24 structures.

The properties could be purchased by the local units of government for less than fair market value. If the properties were not sold to Free Soil Township or the City of Adrian within 180 days after the offer, the Department of Technology, Management, and Budget would be required to take necessary steps to convey the remaining portions of the property through competitive bidding, a public auction, use of real estate brokerage services, a value-for-value conveyance, or offering the property for sale for fair market value (or less than fair market value) to a local unit or units of government.

If the property were conveyed to a local unit of government for less than fair market value, the property would have to be used exclusively for public purposes. Any fees, terms, waivers, or conditions for the use of the property would have to be applied uniformly to all members of the public. In the event of an activity inconsistent with these requirements, the State could reenter and repossess the property, terminating the grantee's or any successor's interest in it. If the local unit of government intended to convey the property within 10 years after the conveyance from the State, the State would retain a right to first purchase the

property at the original sale price, plus the value of any improvements made to the property. In the event that the State waived its first refusal right, the local unit of government would have to pay to the State 40% of the difference between the sale price of the conveyance from the State and the sale price of the local unit's subsequent sale or sales to a third party.

The State would reserve all rights in aboriginal antiquities on, within, or under the property. The State would not reserve the mineral rights; however, if the purchaser or any grantee developed any oil, gas, or minerals, the State would receive one-half of the gross revenue generated from the development.

FISCAL IMPACT

There is no property tax assessment or current appraisal of the Camp Sauble Correctional Facility. The Adrian Training Facility had a recent appraisal that stated that the condition of the buildings on the property offset the value of the land. If either of the properties were conveyed to a local unit of government for a public purpose, revenue to the State would be a nominal amount, usually \$1. Net revenue from the sale of the property would be deposited in the State General Fund. The State would realize substantial savings related to current upkeep costs of the properties.

Fiscal Analyst: Bill Bowerman

s0910\1320es

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.