

Property Conveyance City of Escanaba - Delta County

House Bill 4592 As Introduced
Sponsor: Representative McBroom
Analysis Completed: June 28, 2011

SUMMARY OF THE BILL:

House Bill 4592 would authorize the State Administrative Board to convey state-owned property located in the City of Escanaba to Delta County for fair market value.

Fair market value of the property would be required to be determined by an appraisal prepared for the Department of Technology, Management, and Budget by an independent appraiser. The State Administrative Board would be prohibited from withdrawing the offer to convey the property until at least 90 days has elapsed and the offer has not been accepted.

An approximate legal description of the property is set forth in the bill and would be subject to adjustments by the State Administrative Board and/or Attorney General, if necessary. The property would include all surplus, salvage, and scrap property or equipment remaining on the property as of the date of the conveyance.

The property would be conveyed by a quitclaim deed approved by the Attorney General. The state would not reserve oil, gas, or mineral rights to the conveyed property, but the purchaser or any grantee would have to pay one-half of any gross revenue generated from the development of oil, gas, or minerals found on, within, or under the property. The state would reserve all rights in aboriginal antiquities, including the right to explore, excavate, and take them. Aboriginal antiquities include mounds, earthworks, forts, burial and village sites, mines, and other relics.

The bill would require that net revenue received from the sale of the property be deposited in the state treasury and credited to the general fund.

BACKGROUND:

Currently, the Escanaba State Office Building is located on the property. The building consists of 39,700 gross interior sq. ft. Of that, roughly 25,000 sq. ft. are usable/rentable. The Departments of Human Services (Bureau of Child and Adult Licensing), Licensing and Regulatory Affairs (Commission for the Blind, Liquor Control Commission, Workers' Comp Agency, Fire Services, and MIOSHA), State (branch office), and Treasury (audits) occupy space in the building. The state pays \$13.84 per square foot.

FISCAL IMPACT:

Net revenue to the state would be the proceeds from the sale less reimbursement for administrative costs, employee wages, salaries, benefits, costs of reports and studies and other materials necessary to the preparation of the sale, environmental remediation, legal fees, and any litigation expenses related to the conveyance of the property.

Also, there would be an indeterminate amount of revenue to the state if the purchaser or any grantee developed oil, gas, or minerals found on, within, or under the property.

Fiscal Analyst: Robin R. Risko

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.