

0110.05 Purchase of Real Property

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PURPOSE

To establish uniform procedures for the purchase of real property for use by the state of Michigan.

APPLICATION

Executive Branch Departments and Sub-units, excluding Department of Transportation, Department of Military & Veterans Affairs' National Guard Armories and Department of Natural Resources' parks, forests and certain other lands.

CONTACT AGENCY

Department of Technology, Management and Budget (DTMB)
State Facilities Administration (SFA)
Real Estate Division (RED)
3111 W. St. Joseph Street
Lansing, MI 48917

or

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Lansing, MI 48909
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SUMMARY

Except as otherwise provided by law, all Executive Branch Departments and Sub-units shall use the services of DTMB Real Estate Division (RED) to purchase property for use by the state of Michigan. All purchase must be approved by the Legislature.

APPLICABLE FORMS

None.

PROCEDURES

Agency

- Identifies a need for additional property.
- Locates property that will meet the need.

- Submits request to purchase to RED with site map, legal description, owner's name, address, telephone number and account number for appraisal contracts, title work and closing costs.

RED

- Reviews request and schedules meeting with property owner. Negotiates an option to purchase.
- Contracts for an independent appraisal of property, if applicable.
- Requests a legal description of property, survey and environmental study from SFA Design and Construction Division.
- Prepares a Legislative draft and submits to the director of DTMB.

DTMB Director

- Submits bill to legislature for introduction.

Legislature

- Appropriates funds and approves purchase by a bill.

RED

- Prepares written offer to owner based on appraised value of property, pending receipt of an acceptable environmental assessment of the property.
- Submits recommendation for approval of purchase by the State Administrative Board (SAB).

SAB

- Approves or rejects purchase of property.

RED

- Obtains title insurance.
- Submits documents to Department of Attorney General, Department of Natural Resources and Military & Veterans Affairs for review.

Attorney General

- Reviews purchase documents and prepares warranty deed.

RED

- Confirms method of payment with seller. Coordinates warrant or wiring instructions with DTMB Financial Services.
- Conducts closing meeting with seller.
- Records warranty deed and requests the county take the property off the tax rolls.
- Submits original recorded deed to the Secretary of State, Office of the Great Seal.
