

State of Michigan
Administrative Guide to State Government

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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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.

Agency Director submits letter requesting assistance in acquiring property to DTMB Director or Real Estate Director, identifying a contact person for communications and coordination regarding the project. The request will either already identify an existing location or will have guidelines and parameters for property they are seeking to acquire.

APPLICABLE FORMS

None.

PROCEDURES

Agency

- Identifies a need for additional property.
- Locates property that will meet the need.
 - If site has been identified, Agency 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.
 - If no site has been identified, Agency will provide guidelines and parameters for property they are seeking to acquire to RED.

RED

- If no property has been identified, RED will work with requesting agency to develop potential site criteria and identify suitable site options.
- If property has been identified, RED 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.
 - Confirm agency has funds to purchase.
 - If required, RED assists agency with obtaining necessary legislation.

RED

- Prepares written offer to owner based on appraised value of property, pending receipt of an acceptable environmental assessment of the property.
- Obtains title insurance.

Attorney General

- Reviews purchase documents and prepares warranty deed.

RED

- Submits recommendation for approval of purchase to the State Administrative Board (SAB).

SAB

- Approves or rejects purchase of property.

RED

- Submits purchase documents to Department of Attorney General and purchasing agency for review.
- 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.
