



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

BILL ANALYSIS



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

Senate Bill 642 (Substitute S-1)
Sponsor: Senator William Van Regenmorter
Committee: Local, Urban and State Affairs

Date Completed: 9-27-95

SUMMARY OF SENATE BILL 642 (Substitute S-1):

The bill would permit the State Administrative Board to do the following:

- Transfer from the Department of Corrections (DOC) to the Department of Natural Resources (DNR) a parcel of land described in the bill as being located in Laketown Township, in Allegan County, that was under the jurisdiction of the Dunes Correctional Facility.
- Convey for \$1 to Laketown Township property under the DOC's jurisdiction, including the Dunes Correctional Facility.

The bill also provides that the conveyed property would have to be used for a public purpose, except for a two-year period in which the township was preparing the site, and upon termination of that use, the State could repossess the property.

Transfer

The bill would permit the State Administrative Board to transfer from the Corrections Department to the DNR, without consideration, a parcel of land in Laketown Township, in Allegan County, that was under the jurisdiction of the Dunes Correctional Facility.

The transfer would take effect when approved by a resolution of the State Administrative Board. All documents regarding the transfer would have to be approved by the Attorney General.

Conveyance

The Administrative Board, on behalf of the State, could convey to Laketown Township, for consideration of \$1, property under the jurisdiction of the Department of Corrections, including the Dunes Correctional Facility. The bill specifies that the description of the parcel, as detailed in the bill, is approximate and for the purposes of the conveyance would be subject to adjustment as the Administrative Board or Attorney General considered necessary by survey or other legal description.

The conveyance would have to provide for both of the following:

- That the property would have to be used exclusively for public purposes and that upon termination of that use or use for any other purpose, the State could reenter and repossess the property, terminating the grantee's estate in the property. For a two-year period

beginning on the date of the conveyance, however, the township could defer making the property open to the public while it prepared the site for a public use and arranged financing for that site preparation.

- That if the grantee disputed the State's exercise of its right of reentry and failed to deliver promptly the possession of the property to the State, the Attorney General, on behalf of the State, could bring an action to quiet title to, and regain possession of the property.

The conveyance would have to provide that if the property were used for the purpose of a public park, all members of the public using the park would be subject to the same annual and daily fees, terms, and conditions. The conveyance also would have to provide that the grantee could waive daily fees or waive fees for the use of specific areas or facilities in the case of use by specified groups or classes of persons. The fee waiver would have to apply to all members of that group or class regardless of their residence. The conveyance also would have to provide that a violation of these provisions would constitute a use for a nonpublic purpose allowing the State to reenter and repossess the property.

The conveyance would have to be by quitclaim deed approved by the Attorney General and would have to reserve to the State all rights to coal, oil, gas, and other materials, excluding sand, gravel, clay, or other nonmetallic minerals found on, within, or under the conveyed land. The revenue received would have to be deposited in the State Treasury and credited to the General Fund.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The property referenced in the bill encompasses approximately 44 acres and includes the former Dunes Correctional Facility constructed and renovated between 1964 and 1978 and the original mansion constructed in 1922. The parcel is immediately adjacent to a Department of Natural Resources State Park. The facilities have been largely vacant since 1991. The Department of Corrections has indicated that it costs approximately \$113,000 annually to maintain the property. The bill proposes the conveyance of one parcel to Laketown Township of approximately 43 acres to be used for a public purpose and a transfer of .68 acres to the Department of Natural Resources for an easement to the adjacent State Park. The township has indicated that very preliminary plans include razing the prison housing unit while maintaining the mansion in order to preserve its historical value. The township estimates that demolition of the prison housing unit would cost \$700,000. The township plans to ask voters in November of this year to approve a millage to finance the cost of demolition and any capital costs associated with development of the parcel.

To the degree that the property would be conveyed for a public purpose, with a reverter clause, and that the Department of Corrections would be released from maintenance and security obligations, the Department of Corrections would realize a savings of \$113,000 annually.

An impact on the township would result from the township's assumption of any maintenance and security costs and costs associated with demolition of facilities and development of the property.

Fiscal Analyst: R. Abent

S9596\S642SB

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.