



Senate Fiscal Agency
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BILL



ANALYSIS

Telephone: (517) 373-5383
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House Bill 5450 (as reported without amendment)
Sponsor: Representative Michelle McManus
House Committee: Regulatory Affairs
Senate Committee: Local, Urban and State Affairs

Date Completed: 3-12-96

RATIONALE

The Department of Natural Resources (DNR) owns a parcel of property on Arbutus Lake in East Bay Township, Grand Traverse County. Apparently, the township has maintained this parcel as a park, including a small boat launch, since 1971 under a special use agreement with the DNR. Over the years, the township evidently has made several improvements to the land, such as a picnic area and a paved parking lot. The township has requested that the DNR turn over ownership of the property to the township.

An unrelated matter concerns approximately 40 acres of State-owned land in Chippewa County. This parcel was acquired by the State in 1983 by condemnation, and was used for the disposal of livestock and soil contaminated by PBB (polybrominated biphenyl). Apparently, Chippewa County would like to use this land for agricultural experimentation purposes, and has approached the Department of Management and Budget about acquiring the property.

CONTENT

The bill would authorize the Department of Natural Resources to convey to East Bay Township, for \$1, certain real property under the jurisdiction of the DNR and located in Grand Traverse County. The bill also would authorize the State Administrative Board to convey to Chippewa Soil Conservation District, for \$1, property under the jurisdiction of the Department of Agriculture and located in Dafter Township, Chippewa County.

The DNR conveyance would have to require that the property be used for a public purpose and provide that it would be subject to requirements (described below) concerning park or recreational use; as well as provide that upon termination of that use, or upon use for any other purpose, title to the property would revert immediately to the State, which would assume no liability for any improvements made by any other party. The conveyance also would have to provide that if the property were used for a public park or other public recreational purposes, all members of the public, residents, nonresidents, or organizations, using the property would be subject to the same annual and daily fees, terms, and conditions. In addition, the conveyance 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, but the waiver of fees would have to apply to all members of that group or class regardless of their residence.

The Department of Agriculture conveyance would have to require that the property be used exclusively for public purposes, and provide that upon termination of that use, or upon use for any other purpose, title would revert immediately to the State, which would assume no liability for improvements made at the grantee's expense.

Both of the authorized conveyances would have to be by quitclaim deed approved by the Attorney General and reserve to the State all rights to coal, oil, gas, and other nonmetallic minerals found on, within, or under the conveyed property.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The property in East Bay Township has been under the maintenance and control of the township for 25 years, and the township has spent considerable money to maintain and manage the site. According to the DNR, the site is small and isolated; the Department has a new, larger public access site with a small boat launch site nearby, and does not need the smaller site at this time. The bill's reverter clause would ensure that the property continued to be used for a public purpose, or the State would regain jurisdiction.

Supporting Argument

The proposed conveyance to Chippewa Soil Conservation District would enable the State to divest itself of unneeded property. Although the property is not contaminated, according to the Department of Management and Budget, it may retain some stigma because of its former use by the State. Selling the property for \$1 to a public entity for a public purpose would be appropriate.

Legislative Analyst: S. Margules

FISCAL IMPACT

To the degree that the property currently is used for a public purpose and managed by a local unit, and would be conveyed to that local unit to protect the public purpose use of the land, there would be no financial impact on the State except in terms of potential revenue associated with a fair market value sale of the property. The Department of Natural Resources reports that the conveyance to East Bay Township could eliminate an annual payment of \$1,200 made in lieu of taxes on the property.

Fiscal Analyst: R. Abent

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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.