

**JACKSON COUNTY, BOYNE CITY  
CONVEYANCE**

**Senate Bill 1337 (Substitute H-1)  
First Analysis (12-5-00)**

**Sponsor: Sen. Philip E. Hoffman**  
**House Committee: Local Government and  
Urban Affairs**  
**Senate Committee: Local, Urban and State  
Affairs**

***THE APPARENT PROBLEM:***

The Grand River Environmental Action Team (sometimes called GREAT), owns two parcels of property along the east side of the Grand River in Jackson County. GREAT is a nonprofit environmental group dedicated to the protection and clean-up of the river. (See *BACKGROUND INFORMATION* below.)

The Department of Corrections has jurisdiction over a state-owned parcel on the opposite (west) bank of the Grand River that is separated from its larger land holding on the river's east side. According to committee testimony, an excavation project took place in the early 1930s that straightened the Grand River bed and dredged it deeper, in order that it might serve as a drain for the area. In a recent survey, it was discovered that the land owned by the state was separated when the river bed was excavated and redirected, such that there is now a parcel on the river's west bank that stands separated from the main parcel.

According to the Senate and House Fiscal Agencies, the state's parcel is similar in value and size to the two parcels owned by GREAT. In order to further the aims of both the state and the environmental action team, an exchange of the parcels has been proposed. However, in the exchange, the state desires to preserve the conservation interests of all the property. Consequently, legislation has been proposed to convey the property in such a manner as to ensure that the state would retain all development and mineral rights associated with the parcel it would relinquish in the exchange, and also acquire all development and mineral rights associated with the two parcels it would acquire in the exchange.

In addition, the Department of Natural Resources owns a field office in Boyne City that has been unoccupied for seven years. The department has been approached by the Charlevoix conservation district whose lease on

other facilities will soon expire, and requested to convey the unused Boyne City field office to the conservation district for consideration of \$1. The Boyne City property that would be conveyed is approximately ½ acre in size.

Legislation to exchange and convey these parcels for these purposes has been introduced.

***THE CONTENT OF THE BILL:***

Department of Corrections. Senate Bill 1337 would allow the State Administrative Board to convey certain property under the jurisdiction of the Department of Corrections in Jackson County to the Grand River Environmental Action Team (GREAT) in exchange for two nearby parcels of land.

Specifically, the State Administrative Board, on behalf of the state, could convey to GREAT, a private nonprofit institution, certain property under the jurisdiction of the Department of Corrections and located in Jackson County (referred to as Parcel A), in exchange for two nearby parcels of land (referred to as Parcels B and C) on the opposite side of the Grand River.

The state would have to retain all development and mineral rights associated with Parcel A, while acquiring all development and mineral rights associated with Parcels B and C, to help preserve the state's security and conservation interests in all three parcels of land.

The bill would require GREAT to convey Parcels B and C to the state before any of Parcel A was deeded to GREAT. After the conveyance was received, the attorney general would promptly have to examine the title to the conveyed lands, and certify in writing to the

Department of Management and Budget (DMB) whether or not the conveyance was sufficient to vest in the state a good and sufficient title to the land, free from any deleterious liens and encumbrances. If the attorney general certified that the deed vested a good and sufficient title to the land, the DMB would have to execute a quitclaim deed for Parcel A on behalf of the state to GREAT. The quitclaim deed would have to be approved in advance of execution by the attorney general.

The DMB would be responsible for brokering, managing, and implementing the land exchange on behalf of the state, as provided under the bill. The DMB would have to be compensated directly by the Department of Corrections or by GREAT, or both (as the parties could mutually agree in advance) for all costs incurred in discharging those functions, including the costs of commissioning any professional surveys the DMB considered necessary and prudent.

Department of Natural Resources. In addition, Senate Bill 1337 would allow the Department of Natural Resources, on behalf of the state, to convey to the Charlevoix conservation district, for consideration of \$1, the property now under the jurisdiction of the department in the city of Boyne. Specifically, the bill would allow the conveyance of lots 1 and 2 of George W. Bailey's Addition to Boyne City. Under the bill the conveyance would provide for both of the following: a) that the property be used exclusively for the purpose of office facilities for the Charlevoix conservation district 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; and b) that if the grantee disputed the state's exercise of its right of reentry and failed to promptly deliver 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 property described is approximately ½ acre. The conveyance would be by quitclaim deed, approved by the attorney general, and would reserve the mineral rights to the state. The revenue received would be deposited in the state treasury and credited to the general fund.

### ***HOUSE COMMITTEE ACTION:***

The House Committee on Local Government and Urban Policy adopted a substitute for Senate Bill 1337. The substitute version of the bill adds a section to allow for a conveyance in Boyne City from the Department of

Natural Resources to the Charlevoix conservation district. In the transaction, the department would convey an unused field office to the conservation district for a consideration of \$1. The conservation district intends to use the property as its office.

### ***BACKGROUND INFORMATION:***

The Grand River Environmental Action Team is located in Jackson, Michigan. Its mission is to promote, through activities and educational programs, public awareness for the need to protect and preserve the Grand River, including its watershed and surrounding wetlands. More information about the organization is available by visiting its web site. GREAT's Internet address is [www.great-mi.org](http://www.great-mi.org).

### ***FISCAL IMPLICATIONS:***

According to the Senate Fiscal Agency, the Department of Corrections conveyance would have essentially no fiscal impact as the parcels of land in the exchange are reportedly of like value and similar in size. Since under the current structure, some state-owned land is on the other side of the river, there could be some administrative efficiencies from having all state-owned property on the same side of the river, especially in regard to security concerns of the Department of Corrections. (9-28-00)

The House Fiscal Agency notes that the Department of Corrections conveyances would have no fiscal impact on the state, nor on local units of government. (11-27-00)

Fiscal information regarding the Department of Natural Resources conveyance is not available.

### ***ARGUMENTS:***

#### ***For:***

This legislation would allow better use of state-owned property currently under the jurisdiction of the Departments of Corrections and Natural Resources, and also enable a nonprofit environmental action group in Jackson and a district conservation office in Boyne City to better accomplish their work. In particular, the conveyance proposed in Jackson county would enable the parties to the land exchange--the Department of Corrections and the Grand River Environmental Action Team--to consolidate their respective land holdings on the east and west banks of the Grand River.

***POSITIONS:***

The Department of Corrections supports the bill. (12-1-00)

The Department of Natural Resources supports the bill. (11-30-00)

Analyst: J. Hunault

---

#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.