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SFA**BILL ANALYSIS**

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Senate Bill 1337 (as enrolled)
Sponsor: Senator Philip E. Hoffman
Senate Committee: Local, Urban and State Affairs
House Committee: Local Government and Urban Affairs

PUBLIC ACT 407 of 2000

Date Completed: 2-1-01

CONTENT

The bill allows 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; and allows the Department of Natural Resources to convey certain State-owned property in Boyne City to the Charlevoix conservation district for \$1.

Jackson County

The State Administrative Board, on behalf of the State, may 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 must 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 requires GREAT to convey Parcels B and C to the State before any of Parcel A is deeded to GREAT. After the conveyance is received, the Attorney General must promptly examine the title to the conveyed lands, and certify in writing to the Department of Management and Budget (DMB) whether the conveyance is 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 certifies that the deed vests a good and sufficient title to the land, the DMB must execute a quitclaim deed for Parcel A on behalf of the State to GREAT. The quitclaim deed must be approved in advance of execution by the Attorney General.

The DMB is responsible for brokering, managing, and implementing the land exchange on behalf of the

State, as provided under the bill. The DMB must be compensated directly by the Department of Corrections or by GREAT, or both (as the parties may mutually agree in advance) for all costs incurred in discharging those functions, including the costs of commissioning any professional surveys the DMB considers necessary and prudent.

Boyne City

The Department of Natural Resources (DNR), on behalf of the State, may convey certain property under its jurisdiction in Boyne City for \$1 to the Charlevoix conservation district.

The conveyance must provide that the property is required to be used exclusively for office facility purposes for the Charlevoix conservation district, and upon termination of that use or use for any other purpose, the State may reenter and repossess the property, terminating the conveyance. The conveyance also must provide that if the Charlevoix conservation district disputes the State's exercise of its right of reentry and fails to deliver possession of the property promptly to the State, the Attorney General may bring an action to quiet title to, and regain possession of, the property.

The conveyance must be by quitclaim deed approved by the Attorney General, and must reserve mineral rights to the State.

BACKGROUND

The Grand River Environmental Action Team, a nonprofit environmental group that promotes the protection and preservation of the Grand River in Jackson County, owns two parcels of property along the east side of the Grand River. It was discovered that the Department of Corrections has jurisdiction over a State-owned parcel of land on the opposite (west) bank of the Grand River that is separated from the Department's larger land holding on the river's east side. The State's parcel is similar in value and size to the two parcels owned by GREAT.

In addition, the Department of Natural Resources owns a field office in Boyne City that has been unoccupied for several years. The Charlevoix conservation district requested the DNR to convey the unused Boyne City field office to the conservation district.

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill will have essentially no fiscal impact as the parcels of land in the Jackson County exchange are reportedly of like value and size. Since under the previous structure, some State-owned land was on the other side of the Grand River, there may 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.

Fiscal Analyst: M. Hansen

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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.