

Legislative Analysis



WAYNE COUNTY CONVEYANCES

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House Bill 5243 (Substitute H-1)

Sponsor: Rep. John Stewart

Committee: Regulatory Reform

First Analysis (11-9-05)

BRIEF SUMMARY: The bill would authorize the conveyance of about an acre of land adjacent to the former Western Wayne Correctional Facility to Plymouth Township and would correct the legal description of property that formerly housed the Southgate Regional Center and which previously had been authorized for conveyance in 2003 legislation.

FISCAL IMPACT: The conveyance of the property to Plymouth Township would have a negligible impact on the state and local units of government, and correcting the legal description of the Southgate property would have no fiscal implications.

THE APPARENT PROBLEM:

The proposed legislation seeks to address two issues. The first issue concerns the need of Plymouth Township to construct a new water storage tank to meet the needs of this rapidly growing community. The Western Wayne Correctional Facility, which housed female inmates, closed over a year ago. Adjacent to the facility is a parcel of land of approximately one acre. Reportedly, this acre had been a dump site and has over 28 feet of incinerated refuse. The contamination is concentrated in the center of the parcel, and environmental studies and remediation plans by the state are underway. However, the land has been deemed as safe for building an above-ground water storage tank.

The second issue concerns the sale of the former Southgate Regional Center, a state institution providing residential mental health services. Due to program changes, the Center was closed in January of 2002. In 2003, legislation was enacted that created the Land Bank Fast Track Act, in order to establish the Land Bank Fast Track Fund and the Land Bank Fast Track Authority. Among other things, the legislation authorized the enforcement of tax liens and the clearing or quieting of title; the conveyance of certain properties to a land bank fast track authority; and, the transfer and acceptance of property in lieu of taxes and the release of tax liens. Public Act 258 of 2003, which was a part of that package, included a section authorizing the state to transfer and convey the Southgate Regional Center property to the Land Bank Fast Track Authority. The proceeds from the sale of property transferred to the state authority were to be deposited in the Land Bank Fast Track Fund and expended for purposes of the Land Bank Fast Track Act. However, it was discovered later that the legal description of the property contained in the bill was incorrect and the bill did not contain a qualifier stating that the description was approximate and subject to adjustment as needed. The proposed legislation would correct the legal description of the property.

THE CONTENT OF THE BILL:

Property 1. The bill would authorize the state to convey by quitclaim deed for \$1 to Plymouth Township in Wayne County all or portions of certain property currently under the jurisdiction of the Department of Corrections. The conveyance would be by quitclaim deed approved by the attorney general and revenue received would be deposited in the state treasury and credited to the general fund. The description of the parcel is approximate and subject to adjustments as considered necessary. In addition, the conveyance would include all surplus, salvage, and scrap property or equipment.

The property would have to be used only for public purposes, including, but not limited to, the construction of a water tower. Any fee imposed on the public to use the land would have to be the same for all members of the public. The state could reenter and repossess the property if used for any other activities. If the state's right of reentry is disputed, the Attorney General could bring an action to quiet title to, and regain possession of, the property. The state would not be liable to reimburse any party for any improvements made on the property prior to reentry.

If the township intended to convey the property within three years of the conveyance from the State, the township would have to notify the director of the Department of Management and Budget (DMB) of its intent, giving the DMB the right to first purchase the property at the original sale price, plus the value of any improvements, within 90 days of the notice. If the state waived its first refusal right, it would receive 40 percent of the difference between the original sale price and the sale price of the township's subsequent sale to a third party.

The revenue received from the sale of the parcel would be deposited in the state's General Fund, less reimbursement to the DMB for all administrative costs associated with the department's implementation of the bill, including wages, reports and studies, environmental remediation, legal fees, and any litigation related to the conveyance of the property.

The state could not reserve oil, gas, or mineral rights to the property. However, if oil, gas, or minerals were developed, the state would have to be paid one half of the gross revenue the development generated, to be deposited in the Natural Resources Trust Fund. The state would reserve all aboriginal antiquities, including mounds, earthworks, forts, burial and village sites, mines, or other relics lying on, within, or under the property and could allow others to enter the property for purposes relating to exploring, excavating, and taking away the aboriginal antiquities.

Property 2. The state administrative board would have to transfer and convey to the Land Bank Fast Track Authority the property described in the bill, which is known as the former Southgate Regional Facility. The bill would specify that the description was approximate and subject to adjustments as considered necessary by survey or other legal description. Proceeds from the sale would be transferred to the Land Bank Fast Track Authority and be deposited in the Land Bank Fast Track Fund, to be expended for purposes of the Land Bank Fast Track Act. The governor could direct a state department or agency to prepare or record any documents necessary to evidence the transfer of property to the Land Bank Fast Track Authority under the bill's provisions.

BACKGROUND INFORMATION:

Senate Bill 566, which has passed the Senate, would also convey a one-acre parcel to Plymouth Township for the express purpose of building an above-ground water storage tank.

ARGUMENTS:

For:

The bill addresses two current needs. First, it would transfer much needed property to Plymouth Township for the construction of a water storage tank. The property is contaminated and so suitable uses are limited. Apparently, studies by the Department of Environmental Quality have deemed the property as suitable for the above-ground tank. According to representatives of the Department of Management and Budget, the transfer of this one-acre parcel for a water tower would not interfere with the state's cleanup efforts on that parcel, nor would it interfere with future plans to develop or sell the adjacent property comprising the former women's correctional facility.

Secondly, the bill would correct the legal description of property formerly known as the Southgate Regional Facility, a state-owned mental health facility that closed in early 2002. The property was previously authorized to be conveyed to the recently created Land Bank Fast Track Authority. Revenue from the sale of the property was to be used to fund the Authority's implementation of the Land Bank Fast Track Act. However, before the property can be sold, the legal description must be corrected in statute. The bill would accomplish this.

POSITIONS:

The Department of Management and Budget supports the bill. (11-8-05)

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■ 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.