



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

**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 457 (as enrolled)
Sponsor: Senator Alan L. Cropsey
Senate Committee: Appropriations
House Committee: Appropriations

PUBLIC ACT 274 of 2005

Date Completed: 2-1-07

CONTENT

The bill authorizes the State Administrative Board to convey three parcels of property (Parcel A, 1.65 acres; Parcel B, 55.88 acres; and Parcel C, 149.72 acres) in Ionia County to the County of Ionia and one parcel of land in Wayne County to Plymouth Township. The property currently is under the jurisdiction of the Department of Corrections (DOC). Three parcels may be conveyed to Ionia County for a total of \$1, and the parcel in Wayne County may be conveyed for \$1.

The property must be used exclusively for the purpose of a public park. Any fees, terms, or conditions for the use of the property must be applied to both residents and nonresident members of the public. The State may reenter and repossess the property in the event of an activity inconsistent with these provisions. The Attorney General may bring action to quiet title to and regain possession of the property if the grantee disputes the State's exercise of its right of reentry. If the State reenters and repossesses the property, the State will not be liable to reimburse any party for any improvements made on the property. The property includes all surplus, salvage, and scrap property or equipment.

The conveyance must be by quitclaim deed approved by the Attorney General and may not reserve the gas, oil, or mineral rights found on, within, or under the conveyed property. If, however, the purchaser or grantee develops any oil, gas, or minerals found on, within, or under the conveyed property, the purchaser or grantee must pay the State one half of the gross revenue generated from the development of the oil, gas, or minerals. The State also reserves all aboriginal antiquities including earthworks,

forts, burial and village sites, mines, or other relics lying on, within, or under the property, with the power to enter the property for any purpose related to exploring, excavating, and taking away the aboriginal antiquities.

The revenue received from the conveyance, and from the development of oil, gas, or minerals, must be deposited in the State's General Fund.

The bill also requires the State Administrative Board to convey surplus State real property located in the City of Southgate (48.43 acres) to the Land Bank Fast Track Authority. Proceeds from the sale of property transferred to the Land Bank Fast Track Authority are required to be deposited in the Land Bank Fast Track Fund.

FISCAL IMPACT

To the extent that the DOC parcels have a fair market value greater than \$1, the State will be forgoing the opportunity to realize their actual value through disposition on the open market. An appraisal of the parcels does not exist at this time.

On August 10, 2006, the Michigan Land Bank Fast Track Authority approved the conveyance of the Southgate Regional Facility to the King Lutheran Church for \$2.0 million.

Fiscal Analyst: Bill Bowerman

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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.