



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 566 (Substitute S-3 as reported by the Committee of the Whole)
Sponsor: Senator Bruce Patterson
Committee: Appropriations

CONTENT

The bill would authorize the State Administrative Board to convey a parcel of property of approximately 1.2 acres in Plymouth Township in Wayne County. The parcel is part of property commonly known as the Western Wayne Correctional Facility currently under the jurisdiction of the Department of Corrections. The parcel would be conveyed to the Township of Plymouth for \$1.

The parcel would have to be used exclusively for public purposes, including, but not limited to, the construction of a water tower. The State could reenter and repossess the property upon termination of such use and the Attorney General could bring action to quiet title to and regain possession of the property if the grantee disputed the State's exercise of its right of reentry. If the State were to reenter and repossess the property, the State would not be liable to reimburse any party for any improvements made on the property. Any fees, terms, or conditions for the use of the property would have to be applied to both residents and nonresident members of the public. The property would include all surplus, salvage, and scrap property or equipment.

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% of the difference between the original sale price and the sale price of the township's subsequent sale to a third party.

The conveyance would have to be by quitclaim deed approved by the Attorney General and could not reserve the gas, oil, or mineral rights found on, within, or under the conveyed property. If, however, the purchaser or grantee developed any oil, gas or minerals found on, within, or under the conveyed property, the purchaser or grantee would have to pay the State half of the gross revenue generated from the development of the oil, gas or minerals and the revenue would be deposited in the Natural Resources Trust Fund. The State also would reserve 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 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.

FISCAL IMPACT

The fiscal impact of the bill is minimal, as the State would receive \$1 for this 1.2-acre parcel, which is part of the former Western Wayne Correctional facility. An appraisal of this parcel does not exist at this time.

Date Completed: 9-21-05

Fiscal Analyst: Michael 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.