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**BILL ANALYSIS**

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Senate Bill 969 (Substitute-1)
Sponsor: Senator Shirley Johnson
Committee: Appropriations

(as enrolled)

Date Completed: 2-28-06

CONTENT

The bill would authorize the State Administrative Board to convey two parcels of property, one located in Lansing, the other in Blackman Township, Jackson County.

Lansing

The bill would authorize the State Administrative Board, on behalf of the State, to convey to the board of trustees of Lansing Community College for \$1, the right of reverter and the right of reentry on a parcel of property located on the college's campus in downtown Lansing, commonly referred to as the Carnegie Library property.

On April 16, 1963, the State conveyed this property to the Lansing School District with a reverter clause that indicated the property had to be used for educational purposes. On January 21, 1966, the school district conveyed the property to Lansing Community College with the same reverter. While the college has been using the property for educational purposes (primarily as a library), the college has received legislative authorization to construct an addition and make renovations to the property, which would be financed in part through bond proceeds issued by the State Building Authority (SBA). The SBA takes legal ownership of a facility for which it finances capital improvements. Therefore, the SBA requires a clean title of the property in order to satisfy the interests of the bond holders. This bill essentially would remove the "educational purposes" reverter (as the right of reverter would be conveyed to the college) to satisfy the needs of the SBA.

The conveyance would have to be by quitclaim deed approved by the Attorney General.

Blackman Township

The bill would repeal section 12 of Public Act 671 of 2002, which allowed for the exchange or conveyance of State-owned property and privately owned property in Blackman Township, Jackson County. In the Act, the conveyance needed to occur within five years of the effective date of the Act. This bill would reinstate the conveyance provisions and create a new expiration date of 10 years after the effective date of the bill. The bill is intended to clean up property so that each party would have all of its respective property on the same side of the Grand River. The bill is set up so that the property values exchanged or conveyed are of roughly equal value.

FISCAL IMPACT

Other than the State's receipt of \$1, the bill would no fiscal impact.

Fiscal Analyst: Mike Hansen

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