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BILL ANALYSIS



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Senate Bill 1039 (as introduced 3-22-12)
Sponsor: Senator Mike Nofs
Committee: Appropriations

Date Completed: 6-4-12

CONTENT

Senate Bill (S.B.) 1039 would authorize the State Administrative Board to exchange certain State-owned property located in Blackman Township, Jackson County, for property owned by the Grand River Environmental Action Team (GREAT). The exchange would clean up incongruous property lines between the State-owned parcel and property owned by GREAT that resulted from the man-made course change to the old Grand River and old Portage River to the new Grand River drain and the Portage River drain. After the exchange authorized in the bill took place, each party would have all of its respective property on the same side of the Grand River, effectively restoring the river as the boundary.

The State-owned property is under the jurisdiction of the Department of Corrections and consists of one 5.77-acre parcel. The property owned by GREAT consists of two parcels and totals 6.39 acres. The bill provides that the State would not reserve oil, gas, or mineral rights to the property conveyed; however, if the purchaser or any grantee developed any oil, gas, or minerals found on, within, or under the conveyed property, the purchaser or any grantee would have to pay the State one-half of the gross revenue generated from the development of the oil, gas, or minerals.

The exchange of the property was authorized by previous legislation; however, there were issues with the legal description and other provisions in those public acts. The provisions of S.B. 1039 have been reviewed and approved by the Department of Attorney General.

FISCAL IMPACT

The bill would provide for the exchange of property of approximately equal acreage. The exchange would have to be negotiated, brokered, managed, approved, and implemented by the Department of Technology, Management, and Budget. Costs for appraisals and closing costs incurred by the Department of Technology, Management, and Budget would be reimbursed by the Department of Corrections. Any revenue received by the State under the provisions of the bill would be deposited in the State General Fund.

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.