

PROPERTY CONVEYANCES

ROGUE RIVER STREAMBANK ACCESS – KENT COUNTY

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House Bill 5141

Sponsor: Representative Peter MacGregor

Committee: Appropriations

Complete to February 11, 2014

A SUMMARY OF HOUSE BILL 5141 as Introduced November 12, 2013

House Bill 5141 authorizes the Department of Natural Resources (DNR) to convey state-owned property in Kent County. The property is located in the Township of Plainfield, commonly referred to as Rogue River Streambank Access, and is currently under the jurisdiction of the DNR. Approximate legal descriptions of the property are set forth in the bill and will include all improvements to the property as of the date of the conveyance. The conveyance will nullify the existing lease between the DNR and Kent County.

The DNR may offer the property to Kent County for \$1.00. Under the provisions of the bill, the DNR shall deposit the revenue from the conveyance into the Michigan Natural Resources Trust Fund (MNRTF).

If the property is conveyed to Kent County at less than fair market value, the property will be required to be used exclusively for public purposes. Any fees, terms, or conditions applied for use of the property, or waivers of those fees, terms, or conditions, will be required to be applied uniformly to all members of the public. The state will be authorized to reenter and repossess the property if these conditions are not met and will not be liable for reimbursement to any party for improvements made on the property.

The property will be conveyed by quitclaim deed by the DNR and approved by the Attorney General. The state will not reserve mineral rights to the conveyed property. However, the DNR will retain to the state a nonparticipating one-sixth minimum royalty interest. This payment would be deposited in the MNRTF.

The DNR may retain rights to continue fishery management activities on the property for as long as the State considers it necessary.

BACKGROUND:

The property consists of two parcels totaling approximately 27.05 acres. Both parcels were purchased with MNRTF funds. The 26.6 acre parcel was purchased in 1996 and the .45 acre parcel was purchased in 2001. In both instances the DNR entered into long-term lease agreements with Kent County for the development and management of the properties as part of Kent County's Rogue River Park. At the time of the lease agreement, the DNR agreed to convey the land to Kent County at a future date at no cost to Kent County as long as the properties were maintained and continued to advance public purposes. In 2010 Kent County requested the transfer of the lands from the DNR. The transfer of the property was approved by the MNRTF Board in October 2012.

FISCAL IMPACT:

If Kent County purchases the property, the net revenue to the MNRTF will be \$1.00. An estimate of the fair market value of the property is currently not available. Also, there would be additional savings to the MNRTF as the MNRTF will be relieved of payments in lieu of taxes on the property.

Fiscal Analyst: Ben Gielczyk

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