

# Legislative Analysis



## PROPERTY CONVEYANCES CALHOUN COUNTY – CITY OF SPRINGFIELD

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5571 (H-3) as passed House Appropriations Committee**  
**Sponsor: Rep. John Bizon**  
**Committee: Appropriations**

Analysis available at  
<http://www.legislature.mi.gov>

**Complete to 5-18-16**

### **SUMMARY:**

House Bill 5571 would authorize the State Administrative Board to accept from the City of Springfield for the consideration of \$1.00 land previously conveyed to American Legion Hospital, Inc. in 1969 PA 50. The receipt of the property by the State Administrative Board would be subject to and contingent upon the reconveyance of the property to the City of Springfield for \$1.00. An approximate legal description of the property is set forth in the bill.

The property would be reconveyed by quitclaim deed or other instrument approved by the Attorney General. The provisions of the bill would require the quitclaim deed to state that its purpose is to release the possibility of reverter held by the State and created by 1969 PA 50 and 1974 PA 267. The reverter included in those conveyance acts required the land to be used for health care facilities and that on termination of that use or on use for another purpose the land would revert to the State.

The State would not reserve oil, gas, or mineral rights to the conveyed property, but the purchaser or any grantee would be required to pay the State one-half of any gross revenue generated from the development of oil, gas, or minerals found on, within, or under the conveyed property. This payment would be required to be deposited in the General Fund. The State would reserve all rights in aboriginal antiquities, including the right to explore, excavate, and take them. Aboriginal antiquities include mounds, earthworks, forts, burial and village sites, mines, and other relics lying on, within, or under the property.

The State would be authorized to reenter and repossess the property if the conditions were not met and would not be liable for reimbursement to any party for improvements made on the property or to compensate any person for any part of an unfulfilled contract or license issued to provide goods or services on or for the property.

### **BACKGROUND:**

The property is located in Calhoun County, Battle Creek Township, and was originally conveyed by the State to American Legion Hospital, Inc. in PA 50 of 1969 via quitclaim deed. The quitclaim deed contained use reverter and right of reentry language. The original conveyance authorized American Legion Hospital, Inc. (subsequently Legion Villa, Inc.) to use the property solely for health care facilities. If the health care facility

use was violated, the property would revert to the State. The property has ceased to be used for health care facilities.

**FISCAL IMPACT:**

There would be no fiscal impact to state or local government under the provisions of the bill. DTMB would accept the property from the City of Springfield for \$1.00 and subsequently reconvey the property for \$1.00. An estimate of the fair market value of the property is currently not available. Additionally, the State may realize additional maintenance and upkeep savings. A current estimate of the savings, if any, is unavailable.

Fiscal Analyst: Ben Gielczyk

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