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CARMAN-AINSWORTH CONVEYANCE

House Bill 4352 (Substitute H-1) First Analysis (3-18-97)

Sponsor: Rep. Candace Curtis
Committee: Regulatory Affairs

THE APPARENT PROBLEM:

In 1954, the Carman-Ainsworth School District conveyed about two acres of land to the state for one dollar for a police post. The conveyance contained a reverter clause which required the land to revert back to the school district's ownership when the state no longer used the land for public purposes. Thirty years later, the state asked for an additional strip of land about 50 feet by 315 feet to expand the post parking lot. The school district complied, conveying the land-locked strip to the state for \$1.00. However, a reverter clause so that the school district could regain ownership if the post closed was not put into this conveyance. When the police post closed in 1995, the main piece of property was conveyed back to the school district for \$1.00. Since the second conveyance did not contain a reverter clause, the land-locked strip remained under state ownership. Section 1829 of Public Act 480 of 1996 (enrolled Senate Bill 328 - a capital outlay bill), conveyed the small strip of land back to the school district, but a reverter clause was inadvertently included, meaning that the school district would have to use the land for public use purposes only or the land would return to the state. New legislation has been proposed to convey the strip of land to the school district, this time without the reverter clause so that the school district will have no restrictions on the use of the property.

THE CONTENT OF THE BILL:

Public Act 480 of 1996 (enrolled Senate Bill 328 - a capital outlay bill) conveyed property located in Flint Township under the jurisdiction of the Department of State Police to the Carman-Ainsworth school district. House Bill 4352 would create a new act to convey the same property, but without the requirement contained in Public Act 480 that the property be used exclusively for public purposes or revert to the state and without a provision permitting the attorney general to bring an action to regain title to and possession of the property should the school district dispute the state's claim to the property.

FISCAL IMPLICATIONS:

According to the Department of Management and Budget, the bill would convey the property to the Carman-Ainsworth School District for the same amount that the district conveyed the land to the state back in 1984. (3-14-97)

ARGUMENTS:

For:

Since the land in question was originally school district property, it is only fair that it be returned to the district now that the state is no longer interested in it. The school district intends to sell both parcels and use the revenue for school-related purposes, but would be prevented from selling the small strip of land-locked property due to the reverter clause in Public Act 480 of 1996. The bill would rectify the situation by creating a new act to convey the land to the school district for \$1.00, which is what the state paid for it in 1984. The school district then could dispose of the property as it sees fit.

POSITIONS:

The superintendent of schools for the Carman-Ainsworth School District testified in support of the bill. (3-13-97)

The Department of Management and Budget supports the bill. (3-14-97)

Analyst: S. Stutzky

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

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