

House Bill 5436
Sponsor: Rep. Tom Meyer
Committee: Regulatory Reform

Complete to 11-29-01

A SUMMARY OF HOUSE BILL 5436 AS INTRODUCED 11-1-01

The bill would authorize the conveyances of two separate parcels of land currently under the jurisdiction of the Department of Community Health by quitclaim deed. The property, which totals 70 acres, is located in the township of Indianfields, Tuscola County. Descriptions of the two parcels in the bill are approximate and would be subject to adjustments as considered necessary by survey or other legal description. Mineral rights would not be reserved to the state; but, should the grantee of either parcel derive revenue from the development of minerals found on, within, or under the conveyed property, one-half of the revenue would have to be paid to the state for deposit in the general fund. Net revenue (which would be the proceeds from the sale of the property less reimbursement for any costs to the state associated with the sale of the property) would also be deposited in the state treasury and credited to the general fund.

Parcel 1. For 12 months after the bill's effective date, the Tuscola Area Airport Authority would have the exclusive right to purchase about 40 acres of the property either for less than fair market value – with the condition it be used for public purposes – or for fair market value if the airport authority did not agree to use the property for public purposes. The bill would specify conditions for using the property for a public use purpose; departure from this criteria could result in the state regaining ownership of the property. Should the Tuscola Area Airport Authority cease operation as a local unit of government or decide to use the property for other than a public use purpose, the authority would have to notify the state within 180 days before any change in organization or use. The authority would then have the right, for 180 days, to purchase the reversionary rights – which would be the fair market value of the property exclusive of any improvements on the date of the notice to the state. The fair market value would be determined by an appraisal as prepared by the state tax commission or an independent fee appraiser.

Parcel 2. The township of Indianfields would have the exclusive right, for 12 months after the bill's effective date, to purchase about 30 acres of the property for less than fair market value for public use purposes. The bill would specify conditions for the public use of the property; departure from the criteria could result in the state regaining possession of the property.

(The property in question is about 70 acres of land that was previously part of the Caro Center. Though the center is still in operation, the 70 acres was declared surplus over a year ago. Plans for parcel 1 include runway expansion for the Tuscola Airport and plans for parcel 2 would include park expansion by the township of Indianfields – which could be utilized by patients at the Caro Center.)

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■ 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.