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BILL ANALYSIS

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House Bill 6101 (Substitute S-2 as reported by the Committee of the Whole)

Sponsor: Representative Bruce Caswell

House Committee: Regulatory Reform

Senate Committee: Appropriations

## **CONTENT**

The bill would authorize the State Administrative Board, on behalf of the State, to convey two parcels of property. The first parcel is approximately 5.3 acres of State-owned land in Branch County, which would be conveyed to Coldwater Township for \$1. The property is currently under the jurisdiction of the Department of Corrections next to the Lakeland Correctional Facility and is adjacent to a parcel previously conveyed by the State to Coldwater Township under Public Act 42 of 2002.

The second parcel is a 10-foot strip of property in the City of Niles, Berrien County, which would be conveyed to the city, for fair market value (as determined by a qualified independent fee appraiser) plus a fee equal to the administrative cost incurred by the State in managing the conveyance. The conveyance would have to be by quit claim deed and could not reserve the mineral rights to the State.

The Coldwater Township conveyance would have to require that the property be used exclusively for public recreational purposes, and provide that if any fee or condition for the use of the property were imposed on or waived for members of the public, resident and nonresident members of the public be treated equally. In the event that the property were no longer used for a public purpose, the State could reenter and repossess the property. If the grantee disputed the State's exercise of its right of reentry and did not promptly deliver possession of the property to the State, the Attorney General could bring an action to quiet title to, and regain possession of, the property.

The Coldwater Township conveyance would have to be by quitclaim deed and reserve the mineral rights to the State. The quitclaim deed would have to include a requirement that Coldwater Township, by June 1, 2005, install a six-foot-tall chain-link fence that separated the property from the property remaining under the jurisdiction of the Department of Corrections.

The revenue received by the State would have to be deposited in the State Treasury and credited to the General Fund.

## **FISCAL IMPACT**

The bill would result in increased revenue to the State. Reportedly, the strip of State owned property in the city of Niles has a value of approximately \$3,000.

Date Completed: 12-1-04

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