

Legislative Analysis



EATON COUNTY PROPERTY CONVEYANCE

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

Senate Bill 306

Sponsor: Sen. Patricia L. Birkholz

1st House Committee: Appropriations

2nd House Committee: Regulatory Reform

Senate Committee: Appropriations

Complete to 6-27-05

A SUMMARY OF SENATE BILL 306 AS PASSED BY THE SENATE 5-17-05

The bill would authorize the Department of Management and Budget to convey two parcels of property (Parcel A, 4 acres, and Parcel B, 8 acres) to the Grand Ledge School District in Eaton County for \$1. The bill also would authorize the conveyance of one parcel of property (Parcel C, 20 ft. x 150 ft.) to the school district for not less than fair market value as determined by an independent fee appraiser.

Parcels A and B would have to be used exclusively for public purposes and the state could reenter and repossess the property upon termination of such use. The attorney general could bring an action to quiet title to and regain possession of the property if the grantee disputed the state's exercise of its right of reentry. Any fees, terms, or conditions for the use of the property would have to be applied to both residents and nonresident members of the public. The conveyance would have to include these provisions.

If the school district did not purchase any of the parcels within one year after the bill's effective date, the director of the DMB could offer the property for sale on the open market.

Each conveyance would have to be by quitclaim deed designed and otherwise approved by the attorney general, and could not reserve the gas, oil, or mineral rights found on, within, or under the conveyed property.

The bill specifies that the state would forgive any rent and interest that might otherwise be due from the school district for use and occupancy of the property prior to closing. The DMB could charge the school district for reimbursement of all administrative costs associated with the department's implementation of the bill, including but not limited to appraising, surveying, brokering, and managing the sale of the property. Reimbursement for those administrative costs would have to be credited to the DMB. All other revenue received under the bill would have to be deposited in the state's general fund.

The bill also would repeal three acts that previously authorized the conveyance of Parcels A and B to the school district.

FISCAL IMPACT:

There would be no cost to the state, as the Department of Management and Budget would be authorized to charge their administrative costs to the buyer(s). There would be a nominal increase in revenue for the state from the sale of parcel C. The amount of revenue is indeterminate at this time because a current appraisal of the property does not exist. (It should be noted that parcel C measures 20 feet wide by 150 feet long.) Also, there would be an increase in revenue for the state from the sale of parcels A and B, if Grand Ledge school district did not purchase the parcels within one year.

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Robin Risko

■ 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.