



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5528 (Substitute H-1 as passed by the House)
Sponsor: Representative Carl Gnodtke
House Committee: Regulatory Affairs
Senate Committee: Local, Urban and State Affairs

Date Completed: 12-2-96

CONTENT

The bill would permit the Department of State Police, on behalf of the State, to convey for \$1 to New Buffalo Township, certain parcels located in Berrien County.

The bill specifies that a certain part of one of the parcels would be excluded from the conveyance. The conveyance would be required to provide that the property would have to be used for a municipal public purpose and that upon termination of that use or use for any other purpose, the State could reenter and repossess the property, terminating the township's estate in the property. The conveyance also would have to provide that if the township disputed the State's exercise of its right of reentry and failed to deliver promptly possession of the property to the State, the Attorney General, on behalf of the State, could bring an action to quiet title to, and regain possession of, the property.

The conveyance would have to be by quitclaim deed approved by the Attorney General. The conveyance could not reserve the mineral rights to the State, but it could provide that if the township derived any revenue from the development of minerals found on, within, or under the conveyed property, the township would have to pay one-half of that revenue to the State for deposit in the General Fund.

Revenue received under the bill would have to be deposited in the State Treasury and credited to the General Fund.

Legislative Analyst: L. Arasim

FISCAL IMPACT

To the degree that the property was used for a public purpose and would be conveyed for a public purpose, with a reverter clause to protect the public purpose use of the property, there would be no financial impact on the State except in terms of potential revenue associated with fair market value sale of the property. In this instance, the Department of Management and Budget, Real Estate Division, reports that the cost of appraisal and preparation for sale would exceed the likely value of the property.

Fiscal Analyst: R. Abent

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