

Legislative Analysis



IONIA COUNTY CONVEYANCE

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

Senate Bill 457 as passed by the Senate
Sponsor: Sen. Alan Cropsey
House Committee: Regulatory Reform
Senate Committee: Appropriations

First Analysis (11-30-05)

BRIEF SUMMARY: The bill would convey about 205 acres of state-owned land to Ionia County for public use purposes.

FISCAL IMPACT: The fiscal impact of the bill is indeterminate. The state cost of maintaining the property will be eliminated by the conveyance.

THE APPARENT PROBLEM:

Years ago, some state institutions such as prisons and psychiatric hospitals had adjacent farmland. Labor to plant and harvest crops was provided by inmates or patients. In Ionia County, land that was used decades ago to grow food for the prison has now been declared surplus. Reportedly, it sits in a floodplain and so is not suitable for development. The county has expressed an interest in taking over ownership of the land and using it as a public park. However, legislation is needed to authorize the conveyance.

THE CONTENT OF THE BILL:

The bill would authorize the State Administrative Board to convey three parcels of property (Parcel A, 1.65 acres; Parcel B, 55.88 acres; and Parcel C, 149.72 acres) located in Ionia County to the County of Ionia. The property currently is under the jurisdiction of the Department of Corrections. All three parcels would be conveyed to the county for a total of \$1.

The property would have to be used exclusively for the purpose of a public park. 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 state could reenter and repossess the property in the event of an activity inconsistent with these provisions. The attorney general could bring action to quiet title to and regain possession of the property if the grantee disputed the state's exercise of its right of reentry. If the state were to reenter and repossess the property, the state would not be liable to reimburse any party for any improvements made on the property. The property would include all surplus, salvage, and scrap property or equipment.

The conveyance would have to be by quitclaim deed approved by the attorney general and could not reserve the gas, oil, or mineral rights found on, within, or under the conveyed property. If, however, the purchaser or grantee developed any oil, gas, or

minerals found on, within, or under the conveyed property, the purchaser or grantee would have to pay the state one half of the gross revenue generated from the development of the oil, gas, or minerals. The state also would reserve all aboriginal antiquities including earthworks, forts, burial and village sites, mines, or other relics lying on, within, or under the property, with the power to enter the property for any purpose related to exploring, excavating, and taking away the aboriginal antiquities.

The revenue received from the conveyance, and from the development of oil, gas, or minerals, would be deposited in the state's General Fund.

ARGUMENTS:

For:

The roughly 205 acres near the prison in Ionia County previously used to grow food for prisoners has been declared surplus to the state. The land, which lies in a floodplain, often floods and is not suitable to be sold for development. The county would like to develop the acreage as a public park. Conveying the land would therefore free the state of any maintenance costs and would enable the county to develop the land to serve residents and tourists alike. The bill contains standard conveyance language, such as not reserving mineral rights to the state, but requiring a portion of the proceeds of any revenue derived from such development to be given to the state. Reportedly, this language fits with recent court decisions. In addition, if the county used the land for anything other than a public park, the state could regain title to it. Conveyances of state-owned land to local governments for public use purposes usually result in a win-win situation for local residents and tourists to the area and should be supported.

POSITIONS:

No positions have been received at this time.

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Al Valenzio

■ 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.