

Legislative Analysis



PROPERTY CONVEYANCE – JACKSON COUNTY

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

House Bill 4135 as introduced
Sponsor: Rep. Sarah Lightner
Committee: Appropriations
Complete to 5-13-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4135 would authorize the State Administrative Board, on behalf of the state, to convey, by quitclaim deed or transfer by affidavit of jurisdictional transfer, state-owned property located in Jackson County and currently under the jurisdiction of the Department of Corrections.

The property consists of a roughly 81.08-acre parcel of land that hosted the Dalton Road Landfill, which was formerly owned and operated by Jackson County.

The Department of Technology, Management, and Budget (DTMB) could convey the property through the following methods:

- Sale to Jackson County, which will have the first right to purchase for two years after the bill is enacted for \$1.00.
- Competitive bidding process.
- Use of real estate brokerage services.
- Value for value conveyance negotiated by DTMB.
- Sale to a local unit of government for fair market value.
- Transferring jurisdiction of the property to the State Land Bank Authority.

DTMB could also offer the property for sale for less than fair market value to a local unit of government in which the property is located, subject to the following conditions:

- DTMB must give first opportunity to purchase the property to Jackson County, which will retain the first right to purchase the property for two years.
- The property must be used exclusively for public use, and all members of the public must be subject to the same fees, terms, conditions, and waivers.
- The local unit that purchases the property must first offer the property for sale to the state at the original sale price if the local government intends to convey the property. The state retains the right to first purchase within one year after notification has been given. If the state waives the right to first purchase, the local unit of government must pay 100% of the difference between the sale price of the property from the state and the subsequent sale price.
- The state is not liable for any improvements if the state agrees to reacquire the property.
- DTMB may require the purchaser to reimburse the state for demonstrably incurred costs to prepare the property for conveyance.

The net revenue received from the sale of the property would be deposited in the general fund.

The attorney general would have to approve the legal form of all deeds or affidavits of jurisdictional transfer. The property would include all surplus, salvage, and personal property or equipment remaining on the property on the date of conveyance or transfer. If the property were sold at fair market value, it would first have to be appraised by an independent fee appraisal prepared for the DTMB.

The state would not reserve the oil, gas, or mineral rights to the property conveyed. However, if the purchaser or any grantee developed any oil, gas, or minerals, the state would receive one-half of the gross revenue generated, which would be deposited in the general fund.

All rights in aboriginal antiquities, including mounds, earthworks, forts, burial and village sites, mines, and other relics, on, within, or under the property, would be reserved by the state.

If the property were used for any purpose inconsistent with any restrictions listed above, the state could reenter and repossess the property, terminating the grantee's or successor's estate in the property.

FISCAL IMPACT:

There is no current appraisal or estimated value for the property subject to conveyance under the bill. Any revenue to the state would depend on the method of sale or transfer and the real estate market at the time of sale or transfer.

Net revenue from the sale of any property would be deposited in the general fund, along with all revenue from the development of any mineral rights.

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