
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4352 (Substitute H-1 as passed by the House)
Sponsor: Representative Candace Curtis
House Committee: Regulatory Affairs
Senate Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 5-7-97

CONTENT

The bill would repeal and re-enact a section of law that authorizes the State Administrative Board to convey certain property to the Carman-Ainsworth School District, but would omit language concerning the State's possible repossession of the property. The conveyance is authorized by Section 1829 of Public Act 480 of 1996, which made capital outlay appropriations. The property is located in Flint Township, Genesee County, and is under the jurisdiction of the Department of State Police. Public Act 480 requires the conveyance to provide for both of the following:

- That the property must be used exclusively for public purposes and upon termination of that use or use for any other purpose, the State may re-enter and repossess the property, terminating the grantee's right in it.
- That if the grantee disputes the State's exercise of its right of re-entry and fails to deliver possession of the property promptly to the State, the Attorney General may bring an action to quiet title to, and regain possession of, the property.

The bill would repeal and re-enact Section 1829 of Public Act 480, without the language concerning the property's use and the State's right of re-entry and repossession.

The bill would reinstate current provisions that authorize the conveyance for \$1, specify that the State does not reserve the mineral rights, and require the State to receive at least one-half of the net royalties if the purchaser or any grantee develops the mineral rights.

Legislative Analyst: S. Margules

FISCAL IMPACT

The bill would have no fiscal impact on State government, and could indirectly, result in increased revenue for a local school district.

Given that the small strip of land intended to be returned to the Carman-Ainsworth School District was originally conveyed to the State by the district for \$1, conveying it back for the same amount (only this time without a reverter clause) now that the State no longer has an interest in or use for the land, would comply with the intent of the original conveyance and therefore have no fiscal impact on the State.

Reportedly, the district would now like to sell a larger tract of land (conveyed earlier by the State back to the district) connected to the smaller piece described in the bill, and the ability to sell the two parcels as one would make the marketability of the combined property much more attractive for a

potential buyer.

Fiscal Analyst: M. Hansen

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.