

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 1375 (as passed by the Senate)
Sponsor: Senator Don Koivisto
Committee: Local, Urban and State Affairs

Date Completed: 11-5-02

RATIONALE

Public Act 280 of 1982 authorized the State Administrative Board to convey to Marquette County, for \$1, a parcel of approximately 460 acres in Sands Township. The property is the site of the former Honor Camp State Correctional Facility on Silver Creek Road. It has been suggested that a 40-acre portion of the 460-acre property could be used by Teaching Family Homes of Upper Michigan, a private nonprofit organization, for residential group homes and a regional treatment center for troubled youths. Public Act 280, however, required that the deed to the 460-acre parcel contain a clause providing that the property will revert to the State if it is not used for public purposes.

CONTENT

The bill would authorize the State Administrative Board to enter into an agreement with Marquette County that would allow the county to sell to a nonprofit organization a portion of a parcel that the State conveyed to the county in 1982.

Specifically, the Board could enter into an agreement with Marquette County amending the deed entered into by the State and the county, dated December 31, 1982, pursuant to Public Act 280 of 1982. The agreement would have to require the modification of the restriction and possibility of reverter as to a 40-acre portion of the 460-acre parcel, so that the county could sell that portion to a nonprofit organization for nonprofit use by the organization. The amended deed also would have to provide that if the organization ceased to use the property for nonprofit purposes, or offered the property for sale, both of the following would apply: The State could reenter

and repossess the property, terminating the grantee's estate in it; and, if the grantee disputed the State's exercise of its right of reentry and failed to deliver possession of the property promptly to the State, the Attorney General could bring an action to quiet title to the property and regain possession of it.

The balance of the 460-acre parcel would remain subject to the terms of the deed dated December 31, 1982.

The instruments necessary to implement the bill would have to be approved by the Attorney General.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Teaching Family Homes of Upper Michigan operates five group homes for youths in the Upper Peninsula, including two in Marquette County. The homes provide long-term residential care for youths, aged five to 17, who are sent there due to abuse or neglect, delinquency, or other concerns. If it acquired the 40-acre parcel, Teaching Family Homes would use the land and the building on it for a residential youth care facility and a regional treatment center. The organization's Marquette County group homes would be relocated to the Honor Camp site. The regional treatment center would provide facilities for the organization's administrative offices, conference areas, and classrooms. It also would provide a counseling center and a family education and support center that could be used by the community.

Considering the use that Teaching Family Homes would make of the 40-acre parcel, it would be reasonable to allow Marquette County to sell the property to the organization. Since Teaching Family Homes is a private entity, however, amending the 1982 deed would be necessary to prevent the 460-acre property from reverting to the State. According to an article in *The Mining Journal* (5-22-02), the county formally requested legislation to lift the deed restrictions on the 40 acres.

Opposing Argument

Some neighboring residents evidently oppose the development of a residential group home for troubled youths on the Honor Camp property. Many county residents use the trails on the property for public recreational purposes such as biking and cross-country skiing. The property should be preserved for its natural setting and seclusion.

Response: Teaching Family Homes encourages the continued use of the cross-country and biking trails in the area, and would be interested in incorporating the trails as part of a learning program, such as a trail upkeep project.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State government. Marquette County could realize revenue from the proposed sale of the 40-acre parcel. Information on the estimated value of the property is currently not available.

Fiscal Analyst: Mike 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.