

Legislative Analysis



NEW BUFFALO TOWNSHIP CONVEYANCE

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Senate Bill 839 as passed by the Senate
Sponsor: Sen. Ron Jelinek

House Committee: Regulatory Reform
Senate Committee: Appropriations
First Analysis (5-5-04)

BRIEF SUMMARY: The bill would convey a parcel of property in Berrien County under the jurisdiction of the Department of State Police to New Buffalo Township for \$1.

FISCAL IMPACT: The bill has minimal fiscal impact. If the property is sold at fair market value, the state will realize a one-time revenue gain. Fair market value would be determined by an independent appraisal.

THE APPARENT PROBLEM:

Public Act 102 of 1998 conveyed two adjacent parcels of property near the intersection of I-94, U.S. 12, and Red Arrow Highway in Berrien County to New Buffalo Township. The property contained an old scale house from a weigh station that was closed in the early 1970's and a state police post building and parking lot that had closed in May of 1995 when the state police post relocated. The property was leased in 1996 to New Buffalo Township, which has used the property for various governmental public services, including a paramedic service. There was, however, a third and final parcel of property that was unintentionally omitted from Public Act 102. Legislation has been introduced that would convey that final parcel to the township.

THE CONTENT OF THE BILL:

The bill would authorize the State Administrative Board, on behalf of the state, to convey for \$1 to New Buffalo Township, a parcel of property under the jurisdiction of the Department of State Police located in Berrien County, as described in the bill, to be used for public purposes.

The conveyance would have to require the property to be used exclusively for public purposes, and provide that upon termination of that use or use for any other purpose, the state could reenter and repossess the property, terminating the grantee's estate in it. In addition, the conveyance would have to provide that if the grantee disputed the state's right of reentry and did not promptly deliver possession of the property to the state, the Attorney General, on behalf of the state, could bring action to quiet title to, and regain possession of, the property.

If the property were not sold to the township within one year after being offered, the Director of the Department of Management and Budget (DMB) could offer the property for sale to the public for not less than fair market value as determined by an appraisal prepared by an independent appraiser.

The bill would authorize the DMB Director to order a reappraisal of the property, withdraw the property from sale, or offer the property for sale for less than the fair market value, if the director found, with concurrence of the State Administrative Board, that act to be in the best interest of the state. If the property were offered for sale at less than fair market value, the sale would have to be conducted in a manner designed to realize the highest price from the sale to the state, done in an open manner using a competitive sealed bid, real estate brokerage services, or public auction.

The conveyance would have to be by quitclaim deed approved by the Attorney General. The revenue received under the bill would have to be deposited in the State Treasury and credited to the General Fund.

HOUSE COMMITTEE ACTION:

The House Committee on Regulatory Reform reported the bill as passed by the Senate.

ARGUMENTS:

For:

The bill conveys property that should have been conveyed to a township four year ago with two other nearby parcels. This is property that remained vacant until the township leased it from the state in 1996. The property is currently being used by the township as a public safety facility, and there is no reason why the state should retain title to that land.

POSITIONS:

There are no positions at present.

Legislative Analyst: Mark Wolf
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.