

Legislative Analysis



IOSCO COUNTY PROPERTY CONVEYANCE; OIL, GAS, & MINERAL RIGHTS

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House Bill 6268

Sponsor: Rep. Joel Sheltroun

Committee: Tourism, Outdoor Recreation and Natural Resources

Complete to 6-23-08

A SUMMARY OF HOUSE BILL 6268 AS INTRODUCED 6-19-08

The bill would require the Department of Natural Resources (DNR) to convey state-owned property in Oscoda Township, Iosco County, to a married couple (Boyd and Loretta Aldridge) for fair market value as determined by an appraisal prepared for the DNR by an independent appraiser. An approximate legal description of the property to be conveyed is set forth in the bill subject to adjustment by the Attorney General or the DNR. The total acreage is not specified.

Section 4 provides that the state would *not* reserve oil, gas, or mineral rights to the conveyed property but that the purchaser or any grantee would have to pay one half of any gross revenue generated from any oil, gas, or minerals found on the property to the state for deposit in the General Fund.

Section 5 requires that property be conveyed by a quitclaim deed approved by the Attorney General that reserves mineral rights and all rights in aboriginal antiquities, including the right to explore and excavate for them. Aboriginal antiquities include mounds, earthworks, forts, burial and village sites, mines, and other relics.

[The requirement in Section 5 of the bill that mineral rights be reserved to the state in the quitclaim deed appears to conflict with the language in Section 4 that says that the state would *not* reserve mineral rights.]

FISCAL IMPACT:

The conveyance would result in an indeterminate amount of one-time revenue to the state.

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