



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



BILL ANALYSIS

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

Senate Bill 1434 (as reported without amendment)
Sponsor: Senator Tony Stamas
Committee: Appropriations

CONTENT

The bill would allow the State Administrative Board to acquire two parcels of property previously conveyed for \$1 by the State to Otsego County under Section 1 of Public Act 232 of 1999. Once the State accepted the property, the State Administrative Board could convey the same property back to Otsego County for \$1.

Public Act 232 required that the property be used exclusively for a public purpose, including, but not limited to, constructing and operating a jail, courthouse, or law enforcement facility. This bill would require the property to be used exclusively for a public purpose. If the property were not used for a public purpose, the State could reenter and repossess the property, terminating the county's estate in it. If the county were to dispute the State's right of reentry, the Attorney General, on behalf of the State, could bring an action to quiet title to and regain possession of the property.

The State's conveyance to the county would have to be by quitclaim deed, prepared and approved by the Attorney General. The State would not reserve mineral rights in the property, but the quitclaim deed would have to provide that if the county developed the mineral rights, the State would receive not less than one-half of the net royalties derived from that development.

The bill would require that any revenue received pursuant to the conveyance be deposited in the State's General Fund.

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 11-12-04

Fiscal Analyst: Michael Hansen