

## Exchange of Property - Jackson County

### Senate Bill 1039 As Reported by the House Appropriations Committee

**Sponsor:** Senator Nofs

**Committee:** Appropriations

**Analysis Completed:** September 19, 2012

#### ***SUMMARY OF THE BILL:***

Senate Bill 1039 authorizes the State Administrative Board to exchange certain parcels of property located in Blackman Township, Jackson County. The bill authorizes the exchange of one 5.77-acre parcel of state-owned property, currently under the jurisdiction of the Department of Corrections (DOC), for two parcels of property, consisting of 4.05 acres, owned by the Grand River Environmental Action Team (GREAT).

Approximate legal descriptions of the parcels of property are set forth in the bill. Under provisions in the bill, the parcels would be exchanged by quitclaim deed approved by the Attorney General, and the state would not reserve oil, gas, or mineral rights to the property. However, if the purchaser or any grantee develops oil, gas, or minerals found on, within, or under the property, they would be required to pay the state one-half of any gross revenue generated from the development.

Net revenue received under the bill would be credited to the General Fund.

#### ***BACKGROUND:***

The property lines were separated by a man-made change in the course of the Grand River. According to the Department of Technology, Management, and Budget (DTMB), river straightening in the early 20th century left property of the state and of GREAT on the opposite sides of the Grand River from the main holdings of each party. Exchanging the property would clarify the property lines and would restore the river as the legal property boundary, which is important for the DOC from a security perspective.

Previous public acts authorized the exchange of property. However, there were issues with legal descriptions, date provisions, property valuations, and warrantee requirements in those public acts. The provisions of SB 1039 have been reviewed and approved by the Department of Attorney General.

#### ***FISCAL IMPACT:***

The bill would require the property exchange to be negotiated, brokered, managed, approved, and implemented by DTMB, and DOC would be required to reimburse DTMB for related appraisal and closing costs. Any revenue received by the state under provisions of the bill would be required to be deposited into the state's General Fund, though no revenue is anticipated.

Fiscal Analyst: Robin R. Risko

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■ 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.