



**House
Legislative
Analysis
Section**

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CONVEY DMB PROPERTY TO HANCOCK

**House Bill 6007 as introduced
First Analysis (9-25-90)**

**Sponsor: Rep. Richard A. Sofio
Committee: State Affairs**

THE APPARENT PROBLEM:

Lots 1 and 2 of Block 1 in the City of Hancock were acquired by the Department of Administration, predecessor to the Department of Management and Budget, in 1939. In 1941, the lots were mistakenly put on the 1938 tax sale by the Department of Natural Resources, and conveyed to Hancock. The error was discovered in 1977, and the DNR issued a "Certificate of Error." The city, presumably unaware of this reversal, has assumed since 1941 that the property belonged to it. The error was uncovered recently, when the city attempted to convey the property to the coast guard. The coast guard would build a coast guard facility on the property, which it has leased up until now. It is felt that legislation should be introduced to convey the property to Hancock to clear the cloud that hangs over its title.

THE CONTENT OF THE BILL:

The bill would convey to the City of Hancock property that is currently under the jurisdiction of the Department of Management and Budget, for consideration of \$1. The property consists of Lots 1 and 2, Block 1, in the City of Hancock, Houghton County. The conveyance would be made by quitclaim deed, with the state reserving all rights to coal, oil, gas, and other mineral rights, excluding sand, gravel, clay, or other nonmetallic minerals found on, within, or under the property.

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, the bill would have no impact on state funds. (9-20-90)

ARGUMENTS:

For:

As written, the bill does not contain the standard "reverter clause" that is customarily included in legislation conveying state-owned property. However, since the city has had possession of the lots for 49 years, and the Department of Management and Budget has no use for the property, it is only fair that the property be conveyed to Hancock without the clause, so that plans to convey it to the coast guard can be completed.

POSITIONS:

The Department of Management and Budget supports the bill. (9-21-90)

The City of Hancock supports the bill. (9-21-90)

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