

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

• Lansing, Michigan 48909

• (517) 373-5383

House Bill 4865 (as reported without amendment)

Sponsor: Representative Gary L. Randall

House Committee: State Affairs

Senate Committee: State Affairs, Tourism, and Transportation

Date Completed: 12-7-89

**RATIONALE**

The Gratiot-Isabella Intermediate School District (ISD) has been renting a 7.58-acre parcel of property in Isabella County as part of an agreement under which the ISD provided special education classes for the Mt. Pleasant Regional Center for Developmental Disabilities. The State reportedly encouraged the ISD to build a temporary facility, and gave the district a 20-acre parcel of land on which to build a permanent facility. Since then, the State has reduced its institutionalized population. As a result, the temporary facility has proven to be adequate for the reduced number of students, and it has been suggested that the school district be allowed to trade the 20-acre site for the smaller site. The property is currently under the jurisdiction of the Department of Mental Health.

**CONTENT**

The bill would permit the State Administrative Board to convey to the Gratiot-Isabella Intermediate School District 7.58 acres of property under the jurisdiction of the Mt. Pleasant Regional Center for Developmental Disabilities in Union Township. The conveyance would have to provide that the land had to be used exclusively for public purposes and that upon termination of that use, the property conveyed would revert immediately to the State, which would assume no liability for improvements made at the school district's expense. The conveyance also would have to require that the school district "access"

alternative sources of sewer and water services.

In exchange for the 7.8-acre parcel, the State Administrative Board could acquire from the school district a 20-acre parcel at the Mt. Pleasant Regional Center in Union Township. The Board then could convey this property to the highest bidder for fair market value, as determined by a State Tax Commission appraisal. All conveyances would have to be by quitclaim deed approved by the Attorney General and reserve to the State all coal, oil, gas and other mineral rights, excluding sand, gravel, clay, or other nonmetallic minerals. The revenue would be credited to the General Fund.

**FISCAL IMPACT**

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

**ARGUMENTS****Supporting Argument**

The bill would allow the Gratiot-Isabella Intermediate School District to trade property for which it has no further use for property on which it has already built a temporary facility for special education students.

**Opposing Argument**

The bill states that the State Administrative Board "may" convey the 7.85-acre parcel of land, and in exchange "may" acquire the 20-

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acre parcel. If the board did convey the first parcel, it should be required to acquire the second parcel.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.