



**House
Legislative
Analysis
Section**

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CONVEY STATE LAND TO CARSON CITY UTILITY

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House Bill 5530 as introduced
First Analysis (6-2-88)

AUG 01 1988

Sponsor: Rep. Donald Van Singelth. State Law Library
Committee: Appropriations

THE APPARENT PROBLEM:

The state prison in Carson City currently receives the electrical power it needs to operate the facility from an electrical source located a distance from the prison. This power supply was set up as a temporary source for the prison which, due to a number of technical problems, occasionally disrupts various electrical transmissions within the prison, such as telephone calls. The utility supplying the prison its power apparently believes the problem could be eliminated if it were allowed to build an electrical sub-station that could supply a reliable source of power right next to the facility. The Department of Corrections has therefore requested that a specific piece of property on which the prison now stands be sold to the utility so it can build an electrical sub-station that could alleviate any problems associated with the prison's current electrical transmissions.

THE CONTENT OF THE BILL:

The bill would permit the State Administrative Board to convey, on behalf of the state, 1.5 acres of land located at the Carson City Correctional Facility in Montcalm County to the Wolverine Power Supply Cooperative for the fair market value. The fair market value of the property would have to be determined by an appraisal based on the property's "highest and best use," as prepared by the State Tax Commission. The bill would further require the conveyance to be made by quit claim approved by the attorney general, and would reserve to the state all rights to coal, oil, gas and other minerals. The bill would specify that revenue received by the conveyance would be deposited in the state treasury and credited to the general fund.

FISCAL IMPLICATIONS:

According to the Department of Corrections, the bill would allow the state to sell land it considers "excess" for its fair market value, and thus would increase state revenues by the amount of the sale. (5-27-88)

ARGUMENTS:

For:

The bill would allow the corrections department to sell a 1.5 acre piece of property located at the Carson City state prison to the local utility supplying the prison's electrical power. The utility currently supplies the facility's power from a source off the prison grounds; this temporary power source, however, has been causing a number of disruptions to other electrical transmissions within the prison which the utility believes could be corrected by constructing an electrical sub-station directly on the prison grounds to supply the facility a reliable, efficient source of electrical power.

POSITIONS:

The Department of Corrections supports the bill. (5-27-88)

The Department of Management and Budget supports the bill. (5-27-88)

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