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BILL ANALYSIS

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House Bill 5186 (Substitute H-1 as passed the House)
Sponsor: Representative Kenneth Kurtz
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 3-6-12

CONTENT

The bill would authorize the State Administrative Board to accept two parcels of land from the Branch Intermediate School District (ISD) board of education and then convey the property back to the Branch ISD board of education for the purpose of changing the restrictions on the property. The new restriction would require that the property be used exclusively for public purposes, such as a community college. The bill provides that the State would be entitled to reenter and repossess the property if that condition were not met. All rights in aboriginal antiquities, including mounds, earthworks, forts, burial and village sites, mines, and other relics, on, within, or under the property, would be reserved by the State.

Each conveyance would be for the nominal consideration of \$1. The two parcels were originally conveyed by the State to the Branch ISD under Public Act 225 of 1971 and Public Act 44 of 1978. Parcel A consists of 33.2 acres and Parcel B consists of 178 acres. Public Act 225 required that Parcel A be used for a building site for vocational-technical area center and public educational services. Public Act 44 required that Parcel B be used solely for special and vocational education programs and services. Public Act 56 of 1995 authorized the State Administrative Board to release the Branch Intermediate School District from the restriction contained in Public Act 44 of 1978, and instead required that the property be used for public educational purposes.

In August 1994, Kellogg Community College opened an off-campus facility on property that is located on both Parcels A and B. The building was financed through the county building authority and the debt service on the bonds was paid by Kellogg Community College. The bonds have been retired, and the deed restrictions on Parcel A and Parcel B need to be modified in order for the Branch ISD to transfer title to the 9.73 acres (the Grahl Center) to the Kellogg Community College.

The Grahl Center is a 21,725-square-foot facility that houses administrative offices, two main computer classrooms, one open computer lab, a general purpose science room, eight general classrooms, and a student lounge. Approximately 700 students enroll in courses each semester at the Grahl Center.

FISCAL IMPACT

The bill would result in minimal costs to the State and the Branch Intermediate School District related to preparation of legal documents and recording fees.

Fiscal Analyst: Bill Bowerman

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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.