

SENATE BILL No. 1123

March 25, 2004, Introduced by Senator BIRKHOLZ and referred to the Committee on Appropriations.

A bill to authorize the state administrative board to convey or transfer certain parcels of state owned property in Barry county; to prescribe conditions for the conveyance; to provide for certain powers and duties of certain state departments in regard to the property; and to provide for disposition of revenue derived from the conveyance.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. The state administrative board, on behalf of the
2 state and subject to the terms stated in this act, may convey for
3 not less than fair market value all or portions of certain
4 parcels of state owned property now under the jurisdiction of the
5 department of labor and economic growth and located in the city
6 of Prairieville, Barry county, Michigan, and more particularly
7 described as follows:

8 Parcel A:

1 In the Township of Prairieville, Township 1 North, Range 10 West
2 Section 6 commencing Northeast corner post Section 6, thence West
3 379.5 feet, thence South 178.2 feet to centerline Pine Lake Road,
4 thence South 60 degrees West 1342.44 feet on centerline point of
5 beginning, thence South 26 degrees East 2115 feet to Hallwood
6 Plat, thence South 31 degrees 37' West 70 feet, thence South 62
7 degrees West 150 feet, thence North 26 degrees West 2146.2 feet
8 to centerline Pine Lake Road, thence North 60 degrees East 230
9 feet point of beginning.

10 Parcel B:

11 In the Township of Prairieville, Township 1 North, Range 10 West
12 Section 6 commencing Northeast corner post Section 6, thence West
13 59.4 feet to centerline Pine Lake Road, thence South 60 degrees
14 27' West 2141.3 feet on centerline, thence South 61 degrees 39'
15 West 170 feet on centerline, thence South 09 degrees 50' East 370
16 feet, thence South 16 degrees East 1115 feet to Northwest corner
17 Sandy Beach and point of beginning, thence North 16 degrees West
18 468.5 feet, thence North 76 degrees 10' East 621 feet, thence
19 South 26 degrees East 965 feet to intersection Hallwood Plat,
20 thence South 62 degrees 42' West 300 feet, thence North 25
21 degrees 05' East 130.5 feet, thence North 57 degrees 09' West
22 381.84 feet, thence South 26 degrees 11' West 10 feet, thence
23 North 66 degrees 41' West 166 feet, thence South 80 degrees 52'
24 West 137.98 feet, thence North 57 degrees 37' West 85.54 feet to
25 the point of beginning.

26 Sec. 2. Before offering the property described in section 1
27 for public sale, the director of the department of management and

1 budget shall first offer the property for sale for less than fair
2 market value to the local units of government in which the
3 property is located. In order to exercise its right to purchase
4 the property under this section, a local government must enter
5 into a purchase agreement within 60 days after the date of the
6 offer and must complete the purchase within 120 days after the
7 date of the offer.

8 Sec. 3. Any conveyance to a local unit of government
9 authorized by section 2 shall provide for all of the following:

10 (a) The property shall be used exclusively for public
11 purposes and if any fee, term, or condition for the use of the
12 property is imposed on members of the public, or if any of those
13 fees, terms, or conditions are waived for use of this property,
14 resident and nonresident members of the public shall be subject
15 to the same fees, terms, conditions, and waivers.

16 (b) Upon termination of the public purpose use described in
17 subdivision (a) or in the event of use for any nonpublic purpose,
18 the state may reenter and repossess the property, terminating the
19 grantee's estate in the property.

20 (c) If the grantee disputes the state's exercise of its right
21 of reentry and fails to promptly deliver possession of the
22 property to the state, the attorney general, on behalf of the
23 state, may bring an action to quiet title to, and regain
24 possession of, the property.

25 Sec. 4. The fair market value of the property described in
26 section 1 shall be determined by an appraisal prepared by an
27 independent appraiser.

1 Sec. 5. If the property is offered for sale at not less than
2 fair market value, the sale shall be conducted in a manner
3 designed to realize the highest price from the sale or the
4 highest value to the state. The sale of this property shall be
5 done in an open manner that utilizes 1 or more of the following:

- 6 (a) A competitive sealed bid.
7 (b) Real estate brokerage services.
8 (c) A public auction.

9 Sec. 6. A notice of a sealed bid, public auction sale, or
10 use of broker services regarding the property described in this
11 act shall be published at least once in a newspaper as defined in
12 section 1461 of the revised judicature act of 1961, 1961 PA 236,
13 MCL 600.1461, not less than 10 business days before the sale. A
14 notice shall describe the general location and size of the
15 property to be offered, highlights of the general terms of the
16 offer, and directions on how to get further information about the
17 property, as available, prior to the sale. The notice shall also
18 list the date, time, and place of the sale or bid opening.

19 Sec. 7. The descriptions of the parcels in section 1 are
20 approximate and for purposes of the conveyance are subject to
21 adjustments as the state administrative board or the attorney
22 general considers necessary by survey or other legal
23 description.

24 Sec. 8. The net revenue received under this act shall be
25 deposited in the state treasury and credited to the general
26 fund. As used in this section, "net revenue" means the proceeds
27 from the sale of the property less reimbursement for any costs to

1 the department of management and budget associated with the sale
2 of the property, including the cost of securing discharge of
3 liens or encumbrances. If the revenue received under this act is
4 insufficient to reimburse the department of management and budget
5 for its costs of using outside vendors in surveying, appraising,
6 and closing the sale of the property offered in this act, those
7 costs shall be reimbursed by the department of labor and economic
8 growth within 30 days after being presented an itemized bill for
9 those costs.

10 Sec. 9. The conveyance authorized by this act shall be by
11 quitclaim deed prepared and approved by the attorney general,
12 subject to easements and other encumbrances of record. The
13 quitclaim deed shall provide for both of the following:

14 (a) If the property is reentered and repossessed by the
15 state, the state shall have no liability for any improvements
16 made on the property.

17 (b) The state shall reserve all rights in aboriginal
18 antiquities, including mounds, earthworks, forts, burial and
19 village sites, mines, or other relics, including the right to
20 explore and excavate for the aboriginal antiquity by the state or
21 its authorized agents.

22 Sec. 10. The state shall not reserve the mineral rights to
23 the property conveyed under this act. However, the conveyance
24 authorized under this act shall provide that, if the purchaser or
25 any grantee develops any minerals found on, within, or under the
26 conveyed property, the purchaser or any grantee shall pay 1/2 of
27 the gross revenue generated from the development of the minerals

1 to the state, for deposit in the state general fund.

2 Sec. 11. The director of the department of management and
3 budget may do any of the following with regard to the property
4 described in section 1 when it is determined by the director to
5 be in the best interest of the state:

6 (a) Order a reappraisal of the property.

7 (b) Withdraw the property from sale.

8 (c) Offer the property for sale for less than the fair market
9 value, reserving reversionary interest or receiving other
10 benefits as the director finds to be in the best interest of this
11 state with the concurrence of the state administrative board.