

Act No. 370
Public Acts of 2004
Approved by the Governor
October 11, 2004
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STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2004

Introduced by Senator Birkholz

ENROLLED SENATE BILL No. 1123

AN ACT 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:

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

Parcel A:

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

Parcel B:

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

Sec. 2. Before offering the property described in section 1 for public sale, the director of the department of management and budget shall first offer the property for sale for less than fair market value to the local units of government in which the property is located. In order to exercise its right to purchase the property under this section, a local government must enter into a purchase agreement within 60 days after the date of the offer and must complete the purchase within 120 days after the date of the offer. If a local unit of government purchases the property and, within 1 year after the date of that purchase, conveys the property for use other than for public purposes, the local unit of government shall pay to the state 50% of the net profit, if any, realized from that conveyance.

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

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

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

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

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

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

(a) A competitive sealed bid.

(b) Real estate brokerage services.

(c) A public auction.

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

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

Sec. 8. The net revenue received under this act shall be deposited in the state treasury and credited to the general fund. As used in this section, "net revenue" means the proceeds from the sale of the property less reimbursement for any costs to the department of management and budget associated with the sale of the property, including the cost of securing discharge of liens or encumbrances. If the revenue received under this act is insufficient to reimburse the department of management and budget for its costs of using outside vendors in surveying, appraising, and closing the sale of the property offered in this act, those costs shall be reimbursed by the department of labor and economic growth within 30 days after being presented an itemized bill for those costs.

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

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

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

Sec. 10. The state shall not reserve the mineral rights to the property conveyed under this act. However, the conveyance authorized under this act shall provide that, if the purchaser or any grantee develops any minerals found on, within, or under the conveyed property, the purchaser or any grantee shall pay 1/2 of the gross revenue generated from the development of the minerals to the state, for deposit in the state general fund.

Sec. 11. If the property described in section 1 is not sold pursuant to section 2 and fails to sell at a public sale for fair market value, the director of the department of management and budget with the concurrence of the state administrative board may do any of the following:

(a) Order a reappraisal of the property.

(b) Withdraw the property from sale.

(c) Offer the property for sale for less than fair market value.

Sec. 12. If the property is offered for sale pursuant to section 11, the sale shall be conducted in a manner designed to realize the highest price from the sale or the highest value to the state.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Jay E. Randall

Clerk of the House of Representatives

Approved

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Governor