

**SUBSTITUTE FOR
SENATE BILL NO. 1123**

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. If a local unit of government purchases the
8 property and, within 1 year after the date of that purchase,
9 conveys the property for use other than for public purposes, the
10 local unit of government shall pay to the state 50% of the net
11 profit, if any, realized from that conveyance.

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

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

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

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

1 possession of, the property.

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

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

- 10 (a) A competitive sealed bid.
11 (b) Real estate brokerage services.
12 (c) A public auction.

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

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

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

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

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

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

26 Sec. 10. The state shall not reserve the mineral rights to
27 the property conveyed under this act. However, the conveyance

1 authorized under this act shall provide that, if the purchaser or
2 any grantee develops any minerals found on, within, or under the
3 conveyed property, the purchaser or any grantee shall pay 1/2 of
4 the gross revenue generated from the development of the minerals
5 to the state, for deposit in the state general fund.

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

11 (a) Order a reappraisal of the property.

12 (b) Withdraw the property from sale.

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

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