



# HOUSE BILL No. 5675

March 12, 1996, Introduced by Reps. Bobier, Alley, DeHart, Freeman, Middaugh, Sikkema, Wetters, Bodem, Hill, Byl and Yokich and referred to the Committee on Conservation, Environment and Great Lakes.

A bill to amend Act No. 431 of the Public Acts of 1984, entitled as amended "The management and budget act," as amended, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws, by adding sections 224 and 224a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 431 of the Public Acts of 1984, as  
2 amended, being sections 18.1101 to 18.1594 of the Michigan  
3 Compiled Laws, is amended by adding sections 224 and 224a to read  
4 as follows:

5 SEC. 224. (1) THE HEAD OF EACH STATE DEPARTMENT HAVING CON-  
6 TROL AND SUPERVISION OVER STATE OWNED LAND, THE SALE OR DISPOSI-  
7 TION OF WHICH IS NOT OTHERWISE PROVIDED FOR BY LAW, SHALL NOTIFY  
8 THE DIRECTOR, IN WRITING, WHETHER OR NOT THERE IS ANY STATE OWNED  
9 LAND UNDER THE CONTROL AND SUPERVISION OF THAT DEPARTMENT WHICH

1 IS NO LONGER NEEDED AND THE REASONS WHY THAT STATE OWNED LAND IS  
2 NO LONGER NEEDED.

3 (2) THE DIRECTOR SHALL DETERMINE WHETHER ANY OF THE STATE  
4 OWNED LAND DESCRIBED IN THE NOTIFICATIONS RECEIVED UNDER SUBSEC-  
5 TION (1) SHOULD BE DECLARED SURPLUS AND OFFERED FOR SALE OR OTH-  
6 ERWISE DISPOSED OF BY TRANSFERRING CUSTODIAL CONTROL TO OTHER  
7 STATE DEPARTMENTS. IF THE DIRECTOR DETERMINES THAT ANY STATE  
8 OWNED LAND IS NO LONGER NEEDED FOR STATE PURPOSES, THE DIRECTOR  
9 SHALL CERTIFY IT AS SURPLUS AND PROCEED TO DISPOSE OF THE LAND.

10 (3) BEFORE OFFERING ANY SURPLUS STATE OWNED LAND FOR SALE,  
11 THE DIRECTOR SHALL DETERMINE THE FAIR MARKET VALUE OF THE STATE  
12 OWNED LAND PRIMARILY BY HAVING THE STATE OWNED LAND APPRAISED.  
13 AN APPRAISAL OF STATE OWNED LAND SHALL BE BASED ON ITS HIGHEST  
14 AND BEST USE AND SHALL BE PREPARED BY THE STATE TAX COMMISSION OR  
15 AN INDEPENDENT FEE APPRAISER AT THE DISCRETION OF THE DIRECTOR.

16 (4) BEFORE OFFERING SURPLUS STATE OWNED LAND FOR PUBLIC  
17 SALE, THE DIRECTOR SHALL FIRST OFFER THE STATE OWNED LAND FOR  
18 SALE FOR FAIR MARKET VALUE TO THE LOCAL UNITS OF GOVERNMENT IN  
19 WHICH THE STATE OWNED LAND IS SITUATED. IF A LOCAL UNIT OF GOV-  
20 ERNMENT DESIRES TO PURCHASE SURPLUS STATE OWNED LAND, THE LOCAL  
21 UNIT OF GOVERNMENT SHALL SUBMIT A WRITTEN OFFER TO THE DIRECTOR  
22 WITHIN THE TIME FRAMES SPECIFIED BY THE DIRECTOR. IF MORE THAN 1  
23 LOCAL UNIT OF GOVERNMENT TENDERS AN OFFER, THE DIRECTOR SHALL  
24 DETERMINE WHICH LOCAL UNIT OF GOVERNMENT SHALL RECEIVE THE PROP-  
25 ERTY, BASED ON THE BEST INTEREST OF THE STATE.

26 (5) STATE OWNED LAND DETERMINED SURPLUS BY THE DIRECTOR AND  
27 NOT SOLD TO A LOCAL UNIT OF GOVERNMENT PURSUANT TO SUBSECTION (4)

1 SHALL BE OFFERED FOR PUBLIC SALE BY THE DIRECTOR. EACH PIECE OF  
2 SURPLUS STATE OWNED LAND SHALL BE SOLD FOR FAIR MARKET VALUE AS  
3 DETERMINED BY THE DIRECTOR PURSUANT TO SUBSECTION (3). SALES  
4 SHALL CONTINUE UNTIL ALL PARCELS ARE SOLD OR UNTIL THE DIRECTOR  
5 ORDERS A REAPPRAISAL OR WITHDRAWS THE REMAINING PIECES OF STATE  
6 OWNED LAND FROM SALE OR DETERMINES THAT THE STATE OWNED LAND  
7 SHOULD BE SOLD FOR LESS THAN FAIR MARKET VALUE BECAUSE IT IS NOT  
8 IN THE BEST INTEREST OF THE STATE TO CONTINUE TO HOLD AND MAIN-  
9 TAIN THE LAND. ALL CLOSING COSTS INCLUDING BUT NOT LIMITED TO  
10 TITLE INSURANCE, RECORDING FEES, LEGAL FEES, AND DOCUMENTARY  
11 STAMP TAX SHALL BE THE RESPONSIBILITY OF THE PURCHASER OF THE  
12 STATE OWNED LAND. STATE OWNED LAND AND IMPROVEMENTS SHALL BE  
13 SOLD PURSUANT TO THIS SECTION "AS IS" WITH NO WARRANTIES OR REP-  
14 RESENTATIONS WHATSOEVER OTHER THAN THOSE REQUIRED BY STATE OR  
15 FEDERAL LAW.

16 (6) THE DIRECTOR MAY SELL SURPLUS STATE OWNED LAND ON LAND  
17 CONTRACT SUBJECT TO TERMS AND CONDITIONS DETERMINED BY THE DIREC-  
18 TOR TO BE IN THE BEST INTEREST OF THE STATE.

19 (7) THE DIRECTOR MAY SUBDIVIDE SURPLUS STATE OWNED LAND AS  
20 NECESSARY OR APPROPRIATE FOR SALE.

21 (8) THE STATE MAY RESERVE FOR ITS OWN USE ALL RIGHTS TO  
22 COAL, OIL, GAS, AND OTHER MINERALS, EXCLUDING SAND, GRAVEL, CLAY,  
23 OR OTHER NONMETALLIC MINERALS, FOUND ON, WITHIN, OR UNDER ALL  
24 STATE OWNED LAND WHICH MAY BE SOLD UNDER THIS SECTION, AND ANY  
25 LAND CONTRACT OR QUITCLAIM DEED MAY CONTAIN A CLAUSE RESERVING  
26 ALL SUCH MINERALS FOR THE USE OF THE STATE.

1 (9) PROCEEDS FROM THE SALE OF SURPLUS STATE OWNED LAND UNDER  
2 THIS SECTION, UNLESS OTHERWISE PROVIDED BY LAW, SHALL BE  
3 TRANSMITTED TO THE STATE TREASURER FOR DISTRIBUTION AS FOLLOWS:

4 (A) THE PROCEEDS RECEIVED EACH STATE FISCAL YEAR UP TO  
5 \$1,000,000.00 SHALL BE CREDITED TO THE REVITALIZATION REVOLVING  
6 LOAN FUND CREATED IN SECTION 20108A OF PART 201 (ENVIRONMENTAL  
7 REMEDIATION) OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTEC-  
8 TION ACT, ACT NO. 451 OF THE PUBLIC ACTS OF 1994, BEING  
9 SECTION 324.20108A OF THE MICHIGAN COMPILED LAWS.

10 (B) FOLLOWING DISTRIBUTION OF PROCEEDS UNDER SUBDIVISION  
11 (A), THE REMAINING PROCEEDS RECEIVED EACH STATE FISCAL YEAR SHALL  
12 BE CREDITED TO THE SURPLUS STATE LAND REVOLVING FUND CREATED IN  
13 SECTION 224A.

14 (10) AS USED IN THIS SECTION, "STATE OWNED LAND" MEANS ALL  
15 IMPROVED AND UNIMPROVED REAL PROPERTY BELONGING TO THE STATE,  
16 OTHER THAN LAND ESCHEATED TO THE STATE OR LAND IN WHICH THE SALE  
17 OR DISPOSITION IS OTHERWISE PROVIDED BY LAW.

18 SEC. 224A. (1) THE SURPLUS STATE LAND REVOLVING FUND IS  
19 CREATED IN THE STATE TREASURY.

20 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS  
21 FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER  
22 SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER  
23 SHALL CREDIT TO THE FUND INTEREST AND EARNINGS FROM FUND  
24 INVESTMENTS.

25 (3) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL  
26 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

1 (4) MONEY IN THE FUND SHALL BE USED BY THE DEPARTMENT FOR  
2 THE FOLLOWING:

3 (A) TO PAY FOR THE DEPARTMENT'S EXPENSES IN PREPARING SUR-  
4 PLUS STATE OWNED LAND FOR SALE INCLUDING BUT NOT LIMITED TO  
5 EMPLOYEE SALARIES AND BENEFITS, LAND SURVEYS, APPRAISALS, LEGAL  
6 SERVICES, ADVERTISING, DEMOLITION, AND OTHER CONTRACTUAL  
7 SERVICES.

8 (B) IF MONEY IS AVAILABLE FOLLOWING THE EXPENDITURE OF MONEY  
9 AS PROVIDED FOR IN SUBDIVISION (A), MONEY MAY BE USED BY THE  
10 DEPARTMENT FOR RESPONSE ACTIVITIES ON SURPLUS STATE OWNED LAND.

11 (5) AS USED IN THIS SECTION, "FUND" MEANS THE SURPLUS STATE  
12 LAND REVOLVING FUND CREATED IN SUBSECTION (1).