

# SENATE BILL No. 839

November 12, 2003, Introduced by Senator JELINEK and referred to the Committee on Appropriations.

A bill to authorize the state administrative board to convey certain state owned property in Berrien county; to prescribe conditions for the conveyance; to prescribe certain powers and duties of state departments and agencies regarding the conveyance; and to provide for disposition of the revenue from the conveyance.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. In addition to the land conveyed to New Buffalo  
2 township under 1998 PA 102, the state administrative board, on  
3 behalf of the state, may convey to New Buffalo township, for  
4 consideration of \$1.00, property now under the jurisdiction of  
5 the department of state police and located in the city of New  
6 Buffalo (formerly village of New Buffalo), Berrien county,  
7 Michigan, and further described as follows:

8       That part of Blocks 157 and 168, Virginia Addition to the

1 Village of New Buffalo according to the plat thereof, recorded  
2 March 20, 1837, in Liber E of Deeds on page 290, which is  
3 described as beginning 1001.4 feet East of the Northwest corner  
4 of Section 11, Township 8 South, Range 21 West, thence Each along  
5 Section line 305.3 feet to the center of former Highway "M-11";  
6 thence South 26 degrees 29' west along the center of said "M-11"  
7 327.1 feet; thence North 31 degrees 44' West 303.1 feet; thence  
8 North 35.2 feet to the place of beginning.

9       Sec. 2. The conveyance authorized by section 1 shall  
10 provide for all of the following:

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

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

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

26       Sec. 3. If the property described in section 1 is not sold  
27 to the township of New Buffalo within 1 year after being offered,

1 the director of the department of management and budget may offer  
2 the property for sale to the public for not less than fair market  
3 value.

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

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

- 13 (a) A competitive sealed bid.
- 14 (b) Real estate brokerage services.
- 15 (c) A public auction.

16 Sec. 6. A notice of a sealed bid, broker services, or  
17 public auction sale regarding the property described in section 1  
18 shall be published at least once in a newspaper, as defined in  
19 section 1461 of the revised judicature act of 1961, 1961 PA 236,  
20 MCL 600.1461, not less than 10 business days before the sale.  
21 The notice shall describe the general location and size of the  
22 property to be offered, highlights of the general terms of the  
23 offer, and directions on how to get further information about the  
24 property, as available, before the sale. The notice shall also  
25 list the date, time, and place of the sale or bid opening.

26 Sec. 7. The description of the property in section 1 is  
27 approximate and for purposes of the conveyance is subject to

1 adjustments as the state administrative board or the attorney  
2 general considers necessary by survey or other legal  
3 description.

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

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

20       (a) If the state reenters and repossesses the property under  
21 section 2, the state has no liability for any improvements made  
22 on the property.

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

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

8       Sec. 11. The director of the department of management and  
9 budget may do any of the following when it is determined by the  
10 director to be in the best interest of the state:

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 the fair market  
14 value, reserving reversionary interests or receiving other  
15 benefits as the director finds to be in the interest of this  
16 state with the concurrence of the state administrative board.