

# SENATE BILL No. 874

December 3, 2003, Introduced by Senator BISHOP and referred to the Committee on Appropriations.

A bill to amend 1998 PA 492, entitled

"An act to authorize the state administrative board to convey certain parcels of state owned property in Oakland county and Genesee county; to provide for certain powers and duties of the department of management and budget and certain municipalities in regard to that property; to prescribe conditions for the conveyances; and to provide for disposition of the revenue derived from the conveyances; and to alter certain use restrictions,"

by amending section 3.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

SENATE BILL No. 874

1       Sec. 3. (1) The state administrative board, on behalf of  
2 the state, may convey for consideration of not less than fair  
3 market value as determined pursuant to subsection (2), or for  
4 less than fair market value subject to subsections (5) and (6),  
5 all or a portion of property now under the jurisdiction of the  
6 department of community health and located in the city of  
7 Pontiac, Oakland county, Michigan, commonly known as the Clinton  
8 Valley Center, Fairlawn center campus, and further described as

Senate Bill No. 874 as amended March 3, 2004

1 follows:

2 A parcel of land in the NW 1/4 of section 30, T3N, R10E, City of  
3 Pontiac, Oakland County, Michigan and more particularly described  
4 as commencing at the northwest corner of said section 30; thence  
5 S00°00'00"W 2482.90 feet; thence S90°00'00"E 1396.89 feet, to the  
6 point of beginning of this description on the northerly right of  
7 way line of Elizabeth Lake Road; thence N00°13'24"W 1264.98 feet;  
8 thence N89°15'33"W 887.40 feet; thence N00°13'24"W 1200.00 feet;  
9 thence S89°15'33"E 953.02 feet; thence S00°13'24"E 2451.81 feet,  
10 to the northerly right of way line of Elizabeth Lake Road; thence  
11 S79°21'30"W 66.71 feet, on said right of way to the point of  
12 beginning, containing 28.15 acres.

13 (2) The fair market value of the property described in  
14 subsection (1) shall be determined by an appraisal prepared by  
15 the state tax commission or an independent fee appraiser.

16 (3) The description of the property in subsection (1) is  
17 approximate and for purposes of the conveyance is subject to  
18 adjustments as the state administrative board or the attorney  
19 general considers necessary by survey or other legal  
20 description.

21 (4) The director of management and budget **first** shall offer  
22 the property described in this section for sale **to the school**  
23 **district of the city of Pontiac. The school district of the city**  
24 **of Pontiac has the first right of refusal for a period of 120**  
25 **days after the effective date of the <<2004>> amendatory act that**  
26 **amended this section. If the school district of the city of**  
27 **Pontiac purchases the property and, within 3 years after the date**

1 of that purchase, conveys the property for any purpose other than  
2 public education, the school district of the city of Pontiac  
3 shall pay to the state 50% of the net profit, if any, realized  
4 from that conveyance. If the school district of the city of  
5 Pontiac does not purchase the property, the director of  
6 management and budget shall offer the property for sale on the  
7 open market for fair market value or by broker contract.

8 (5) If the property described in subsection (1) is not sold  
9 pursuant to subsection (4) and fails to sell at a public sale for  
10 fair market value, the director of management and budget with the  
11 concurrence of the state administrative board may do any of the  
12 following:

13 (a) Order a reappraisal of the property.

14 (b) Withdraw the property from sale.

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

17 (6) ~~Any~~ A conveyance of the property described in this  
18 section for less than fair market value shall provide for both of  
19 the following:

20 (a) That the property shall be used exclusively for public  
21 purposes and if any fee, term, or condition is imposed on members  
22 of the public for recreational use of the conveyed property, all  
23 resident and nonresident members of the public shall be subject  
24 to the same fees, terms, and conditions, except that the grantee  
25 may waive daily fees or waive fees for the use of specific areas  
26 or facilities; and that upon termination of that use or use for  
27 any other purpose, the state may reenter and repossess the

1 property, terminating the grantee's estate in the property.

2 (b) That if the grantee disputes the state's exercise of its  
3 rights of reentry and fails to promptly deliver possession of the  
4 property to the state, the attorney general, on behalf of the  
5 state, may bring an action to quiet title to, and regain  
6 possession of, the property.

7 (7) The conveyance authorized by this section shall be by  
8 quitclaim deed approved by the attorney general. The conveyance  
9 shall not reserve the mineral rights to the state; however, the  
10 conveyance shall provide that if the grantee derives any revenue  
11 from the development of any minerals found on, within, or under  
12 the conveyed property, the grantee shall pay 1/2 of that revenue  
13 to the state, for deposit in the state general fund.