

Act No. 121
Public Acts of 2004
Approved by the Governor
May 27, 2004
Filed with the Secretary of State
May 27, 2004
EFFECTIVE DATE: May 27, 2004

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2004**

Introduced by Senator Jelinek

ENROLLED SENATE BILL No. 839

AN ACT 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:

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

That part of Blocks 157 and 168, Virginia Addition to the Village of New Buffalo according to the plat thereof, recorded March 20, 1837, in Liber E of Deeds on page 290, which is described as beginning 1001.4 feet East of the Northwest corner of Section 11, Township 8 South, Range 21 West, thence Each along Section line 305.3 feet to the center of former Highway "M-11"; thence South 26 degrees 29' west along the center of said "M-11" 327.1 feet; thence North 31 degrees 44' West 303.1 feet; thence North 35.2 feet to the place of beginning.

Sec. 2. The conveyance authorized by section 1 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. 3. If the property described in section 1 is not sold to the township of New Buffalo within 1 year after being offered, the director of the department of management and budget may offer the property for sale to the public for not less than fair market value.

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 described in section 1 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 the 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, broker services, or public auction sale regarding the property described in section 1 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. The 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, before the sale. The notice shall also list the date, time, and place of the sale or bid opening.

Sec. 7. The description of the property in section 1 is approximate and for purposes of the conveyance is 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 section 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, those costs shall be reimbursed by the department of state police 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 state reenters and repossesses the property under section 2, the state has no liability for any improvements made on the property.
- (b) The state reserves 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 aboriginal antiquities 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 general fund.

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

- (a) Order a reappraisal of the property.
- (b) Withdraw the property from sale.
- (c) Offer the property for sale for less than the fair market value, reserving reversionary interests or receiving other benefits as the director finds to be in the interest of this state with the concurrence of the state administrative board.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Sam E. Randall

Clerk of the House of Representatives

Approved _____

Governor