

Act No. 86  
Public Acts of 1989  
Approved by the Governor  
June 19, 1989  
Filed with the Secretary of State  
June 20, 1989

**STATE OF MICHIGAN  
85TH LEGISLATURE  
REGULAR SESSION OF 1989**

Introduced by Senators Ehlers, Gast, Cherry, Mack, Posthumus, Irwin, Arthurhultz and Binsfeld

# **ENROLLED SENATE BILL No. 260**

AN ACT to provide for the sale of certain surplus state lands; to create a land exchange facilitation fund; to provide for the purchase of land; and to provide for the powers and duties of certain state officials, agencies, and departments.

*The People of the State of Michigan enact:*

Sec. 1. This act shall be known and may be cited as "the land exchange facilitation fund act".

Sec. 2. As used in this act:

(a) "Board" means the Michigan natural resources trust fund board established in section 7 of the Michigan natural resources trust fund act, Act No. 101 of the Public Acts of 1985, being section 318.507 of the Michigan Compiled Laws.

(b) "Commission" means the commission of natural resources.

(c) "Department" means the department of natural resources.

(d) "Fund" means the land exchange facilitation fund created in section 6.

(e) "Land" includes lands, tenements, and real estate, and rights to and interests in lands, tenements, and real estate.

Sec. 3. (1) Except as otherwise provided in subsection (2), the commission may designate as surplus land any state owned land that is under the control of the department and that has been dedicated for public use and may authorize the department, on behalf of the state, to sell that land if the commission determines all of the following:

(a) That the sale will not diminish the quality or utility of other state owned land.

(b) That the sale is not otherwise restricted by law.

(c) That the sale is in the best interests of the state of Michigan.

(d) That 1 or both of the following conditions are met:

(i) The land has been dedicated for public use for not less than 5 years immediately preceding its sale and is not needed to meet a department objective.

(ii) The land is occupied for a private use through inadvertent trespass.

(2) The commission shall not authorize the sale of surplus land as provided in subsection (1) if the proceeds from the sale of the land will cause the fund to exceed \$500,000.00.

Sec. 4. (1) The department may sell surplus land at a price of not less than its fair market value as determined by an appraisal.

(2) The sale of surplus land shall be conducted by the department through 1 of the following methods:

(a) A sealed or oral bid public auction sale.

(b) A negotiated sale.

(3) If the fair market value of surplus land in a negotiated sale will exceed \$150,000.00, the department shall not enter into negotiations on that negotiated sale without prior approval of the commission.

(4) The sale of surplus land through a sealed or oral bid public auction sale shall be to the highest bidder. A bid shall not be accepted for less than the fair market value of the surplus land as determined by an appraisal.

(5) A notice of the sale of surplus land shall be given as provided in section 5.

(6) The proceeds from the sale of surplus land shall be deposited into the fund.

(7) Surplus land that is sold under this act shall be conveyed by quitclaim deed approved by the attorney general and shall reserve to the state all rights to coal, oil, gas, and other minerals, excluding sand and gravel, found on, within, and under the land.

Sec. 5. (1) A notice of a sealed or oral bid public auction sale of surplus lands shall be published at least once in a newspaper as defined in section 1461 of the revised judicature act of 1961, Act No. 236 of the Public Acts of 1961, being section 600.1461 of the Michigan Compiled Laws, not less than 10 days before the sale. The newspaper shall be published in the county where the surplus lands are located. If a newspaper is not published in the county where the surplus lands are located, the notice shall be published in a newspaper in a county nearest to the county in which the lands are located. A notice shall describe the general location of the surplus lands to be offered at the sale and the date, time, and place of the sale. Upon request, the department shall furnish a list of surplus lands being offered for sale at public auction. The surplus land sale list shall include all of the following:

(a) The date, time, and place of sale.

(b) Descriptions of surplus lands being offered.

(c) The conditions of sale.

(2) A notice of a negotiated sale of surplus lands shall be published at least once in a newspaper as defined in section 1461 of the revised judicature act of 1961 not less than 10 days before the commission authorizes the sale. The newspaper shall be published in the county where the surplus lands are located. If a newspaper is not published in the county where the surplus lands are located, the notice shall be published in a newspaper in a county nearest to the county in which the lands are located. A notice shall describe the general location of the surplus lands offered in a negotiated sale and the date, time, and place that the commission will meet to authorize the sale. Upon request, the department shall furnish a list of surplus lands being offered in a negotiated sale. The surplus land negotiated sale list shall include both of the following:

(a) The date, time, and place that the commission will meet to authorize the sale.

(b) Descriptions of surplus lands being offered.

Sec. 6. (1) A land exchange facilitation fund is created in the state treasury. The fund shall be administered by the department and shall be used only as provided in section 7.

(2) Any money, including interest earned by the fund, remaining in the fund at the end of a fiscal year shall be carried over in the fund to the next and succeeding fiscal years and shall not be credited to or revert to the general fund.

Sec. 7. (1) Money from the fund shall be used by the department only for the following purposes:

(a) Upon the recommendation of the commission and authorization of the board, the purchase of land for natural resources management, administration, and public recreation that has been approved by the legislature for purchase pursuant to section 9 of the Michigan natural resources trust fund act, Act No. 101 of the Public Acts of 1985, being section 318.509 of the Michigan Compiled Laws, or other law.

(b) The costs of advertising, appraisals, negotiations, and closings incurred by the department in the sale of surplus land.

(c) The costs of appraisals, negotiations, and closings incurred by the department in the purchase of land authorized by this act.

(2) If the board does not authorize or reject a recommendation of the commission to purchase land within 60 days, the department may purchase the land identified in the recommendation.

(3) The report required by section 4 of Act No. 17 of the Public Acts of 1921, being section 299.4 of the Michigan Compiled Laws, shall include a summary of all the disbursements of money from the fund for the purposes enumerated in subsection (1).

Sec. 8. This act shall not be construed to limit the authority of the department to do 1 or both of the following:

(a) To exchange land as provided in Act No. 193 of the Public Acts of 1911, being sections 322.481 to 322.485 of the Michigan Compiled Laws.

(b) To sell land as provided in the general property tax act, Act No. 206 of the Public Acts of 1893, being sections 211.1 to 211.157 of the Michigan Compiled Laws.

Sec. 9. This act shall not take effect unless Senate Bill No. 261 of the 85th Legislature is enacted into law.

This act is ordered to take immediate effect.

.....  
Secretary of the Senate.

.....  
Clerk of the House of Representatives.

Approved .....

.....  
Governor.