

SENATE BILL No. 260

March 16, 1989, Introduced by Senators EHLERS, GAST,
CHERRY, MACK, POSTHUMUS, IRWIN, ARTHURHULTZ and
BINSFELD and referred to the Committee on Natural
Resources and Environmental Affairs.

A bill 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:

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

3 Sec. 2. As used in this act:

4 (a) "Commission" means the commission of natural resources.

5 (b) "Department" means the department of natural resources.

6 (c) "Director" means the director of the department.

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

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

1 However, land does not include coal, oil, gas, or metallic
2 mineral rights.

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

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

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

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

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

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

17 (ii) The land is occupied for a private use through inadver-
18 tent trespass.

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

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

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

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

2 (b) A negotiated sale.

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

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

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

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

15 Sec. 5. (1) A notice of a sealed or oral bid public auction
16 sale of surplus lands shall be published at least once in a news-
17 paper as defined in section 1461 of the revised judicature act of
18 1961, Act No. 236 of the Public Acts of 1961, being
19 section 600.1461 of the Michigan Compiled Laws, not less than 10
20 days before the sale. The newspaper shall be published in the
21 county where the surplus lands are located. If a newspaper is
22 not published in the county where the surplus lands are located,
23 the notice shall be published in a newspaper in a county nearest
24 to the county in which the lands are located. A notice shall
25 describe the general location of the surplus lands to be offered
26 at the sale and the date, time, and place of the sale. Upon
27 request, the department shall furnish a list of surplus lands

1 being offered for sale at public auction. The surplus land sale
2 list shall include all of the following:

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

4 (b) Descriptions of surplus lands being offered.

5 (c) The conditions of sale.

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

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

22 (b) Descriptions of surplus lands being offered.

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

26 (2) Any money, including interest earned by the fund,
27 remaining in the fund at the end of a fiscal year shall be

1 carried over in the fund to the next and succeeding fiscal years
2 and shall not be credited to or revert to the general fund.

3 Sec. 7. (1) Upon the authorization of the commission, money
4 from the fund shall be used only for the following purposes:

5 (a) The purchase of land for natural resources management
6 and public recreation. Land purchased by the department may
7 include nonsevered coal, oil, gas, and other nonmetallic and
8 metallic mineral rights.

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

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

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

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

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

23 (b) To sell land as provided in the general property tax
24 act, Act No. 206 of the Public Acts of 1893, being sections 211.1
25 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.

2 No. 261 of the

3 85th Legislature is enacted into law.