

HOUSE BILL No. 6046

May 10, 2006, Introduced by Reps. Farrah, Taub, Elsenheimer, Hildenbrand, Stakoe, Amos, Garfield, Leland, Tobocman, Accavitti, Clack, Condino, Clemente, McConico, Hunter and Cheeks and referred to the Committee on Local Government and Urban Policy.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 2131 (MCL 324.2131), as amended by 2001 PA 174.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2131. (1) Except as otherwise provided in subsection (2)
2 **OR (3)**, the department may designate as surplus land any state
3 owned land that is under the control of the department and that has
4 been dedicated for public use and may, on behalf of the state, sell
5 that land if the department determines all of the following:

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

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

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

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

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

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

8 (2) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTION (3),**
9 **THE** department shall not authorize the sale of surplus land as
10 provided in subsection (1) if the proceeds from the sale of the
11 land will cause the fund to exceed \$2,500,000.00.

12 (3) **BEFORE OFFERING REAL PROPERTY FOR PUBLIC SALE, THE**
13 **DEPARTMENT SHALL FIRST OFFER THE PROPERTY FOR SALE FOR LESS THAN**
14 **FAIR MARKET VALUE TO THE LOCAL UNITS OF GOVERNMENT IN WHICH THE**
15 **PROPERTY IS LOCATED. IN ORDER TO EXERCISE ITS RIGHT TO PURCHASE THE**
16 **PROPERTY UNDER THIS SUBSECTION, A LOCAL GOVERNMENT MUST ENTER INTO**
17 **A PURCHASE AGREEMENT WITHIN 60 DAYS AFTER THE DATE OF THE OFFER AND**
18 **SHALL COMPLETE THE PURCHASE WITHIN 120 DAYS AFTER THE DATE OF THE**
19 **OFFER. EXCEPT AS PROVIDED UNDER SUBSECTION (4), IF A LOCAL UNIT OF**
20 **GOVERNMENT PURCHASES THE PROPERTY AND, WITHIN 1 YEAR AFTER THE DATE**
21 **OF THAT PURCHASE, CONVEYS THE PROPERTY FOR USE OTHER THAN FOR**
22 **PUBLIC PURPOSES, THE LOCAL UNIT OF GOVERNMENT SHALL PAY TO THE**
23 **STATE 50% OF THE NET PROFIT, IF ANY, REALIZED FROM THAT CONVEYANCE.**

24 (4) A LOCAL UNIT OF GOVERNMENT MAY UTILIZE THE SAVINGS OF
25 PROPERTY PURCHASED UNDER SUBSECTION (3) TO CREATE OR IMPROVE THE
26 OVERALL ECONOMIC OPPORTUNITIES FOR THE LOCAL UNIT OF GOVERNMENT AND
27 ITS RESIDENTS. PROPERTY PURCHASED UNDER THIS SUBSECTION MAY BE USED

1 FOR NONPUBLIC PURPOSES, AND THE LOCAL UNIT OF GOVERNMENT MAY
2 PROCEED EITHER IN ITS OWN RIGHT, IN CONJUNCTION WITH A PRIVATE
3 ENTITY, OR THROUGH THE SALE OF THE PROPERTY UNDER THE TERMS AND
4 CONDITIONS WHICH COMPLY WITH THE RESTRICTIONS OF THIS SUBSECTION.