

# HOUSE BILL No. 5436

November 1, 2001, Introduced by Rep. Meyer and referred to the Committee on Regulatory Reform.

A bill to authorize the state administrative board to convey certain state owned property in Tuscola county; to prescribe conditions for conveyance; to provide for certain powers and duties of the department of management and budget; and to provide for the disposition of revenue derived from the conveyance.

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

1       Sec. 1. The state administrative board, on behalf of the  
2 state, may convey to the recipient determined under sections 2 to  
3 4, for consideration as determined pursuant to sections 2 to 4,  
4 all or portions of property now under the jurisdiction of the  
5 department of community health and located in the township of  
6 Indian Fields, Tuscola county, Michigan, and further described as  
7 follows:

8       The Southeast 40 acres, being approximately 1320 feet by  
9 1320 feet, of the remainder of the South Half of Section 18, Town

1 12 North, Range 9 East, after excepting out the Southeast 1/4 of  
2 Section 18 Town 12 North, Range 9 East, which was conveyed to the  
3 City of Caro in that Quitclaim Deed dated May 16th, 1961.

4       Sec. 2. The Tuscola area airport authority has the exclu-  
5 sive right, for a period of 12 months after the effective date of  
6 this act, to purchase the property described in section 1. The  
7 purchase price shall be 1 of the following:

8       (a) Less than fair market value, if the Tuscola area airport  
9 authority agrees to use the property for public purposes.

10       (b) Fair market value, if the Tuscola airport authority does  
11 not agree to use the property for public purposes.

12       Sec. 3. If, at any time after purchasing the property under  
13 sections 1 and 2, the Tuscola area airport authority determines  
14 it will no longer operate as a local unit of government, or  
15 determines that the property shall no longer continue to be used  
16 for public purposes, then the Tuscola area airport authority  
17 shall notify the state in writing 180 days before any such change  
18 in organization or use. The Tuscola area airport authority shall  
19 then have the right, for 180 days, to purchase the reversionary  
20 rights. The purchase price will be the fair market value of the  
21 property exclusive of any improvements on the date of the notice  
22 to the state.

23       Sec. 4. Any conveyance of the property described in  
24 section 1 that is conveyed for public purpose for less than fair  
25 market value shall provide for all of the following:

26       (a) That the property shall be used exclusively for public  
27 purposes and if any fee, term, or condition is imposed on members

1 of the public for recreational use of the conveyed property, all  
2 resident and nonresident members of the public shall be subject  
3 to the same fees, terms, and conditions, except that the grantee  
4 may waive daily fees or waive fees for the use of specific areas  
5 or facilities; and that upon termination of that use or use for  
6 any other purpose, the state may reenter and repossess the prop-  
7 erty, terminating the grantee's estate in the property.

8 (b) That the Tuscola area airport authority may create and  
9 record restrictions on the use of the property required for the  
10 safe operation of an airport. Those recorded restrictions shall  
11 run with the land as long as the airport is in use and shall not  
12 be extinguished solely by reversion of the property to the  
13 state.

14 (c) That if the grantee disputes the state's exercise of its  
15 rights of reentry and fails to promptly deliver possession of the  
16 property to the state, the attorney general, on behalf of the  
17 state, may bring an action to quiet title to, and regain posses-  
18 sion of, the property.

19 Sec. 5. The fair market value of the property described in  
20 section 1 shall be determined by an appraisal as prepared by the  
21 state tax commission or an independent fee appraiser.

22 Sec. 6. The state administrative board, on behalf of the  
23 state, may convey to the recipient determined under sections 7  
24 and 8, for consideration as determined pursuant to sections 7 and  
25 8, all or portions of property now under the jurisdiction of the  
26 department of community health and located in the township of

1 Indian Fields, Tuscola county, Michigan, and further described as  
2 follows:

3       That part of the South 1/2 of Section 17, Town 12 North,  
4 Range 9 East, which lies North of the Cass River, South of M-81,  
5 and 250 feet East of the Caro Center, Buildings number 7 and 9 as  
6 numbered and depicted in the States Facility Inventory dated  
7 June 1980. The parcel contains approximately 80 acres.

8       Sec. 7. The township of Indian Fields has the exclusive  
9 right, for a period of 12 months after the effective date of this  
10 act, to purchase the property described in section 6, for less  
11 than fair market value, if the township of Indian Fields agrees  
12 to use the property for public purposes.

13       Sec. 8. Any conveyance of the property described in  
14 section 6 for less than fair market value shall provide for both  
15 of the following:

16       (a) That the property shall be used exclusively for public  
17 purposes and if any fee, term, or condition is imposed on members  
18 of the public for recreational use of the conveyed property, all  
19 resident and nonresident members of the public shall be subject  
20 to the same fees, terms, and conditions, except that the grantee  
21 may waive daily fees or waive fees for the use of specific areas  
22 or facilities; and that upon termination of that use or use of  
23 any other purpose, the state may reenter and repossess the prop-  
24 erty, terminating the grantee's estate in the property.

25       (b) That if the grantee disputes the state's exercise of its  
26 rights of reentry and fails to promptly deliver possession of the  
27 property to the state, the attorney general, on behalf of the

1 state, may bring an action to quiet title to, and regain  
2 possession of, the property.

3       Sec. 9. The descriptions of the parcels in sections 1 and 6  
4 are approximate and for purposes of the conveyance are subject to  
5 adjustments as the state administrative board or the attorney  
6 general considers necessary by survey or other legal  
7 description.

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

15       Sec. 11. (1) The net revenue received under this act shall  
16 be deposited in the state treasury and credited to the general  
17 fund.

18       (2) For the purposes of this act, "net revenue" means the  
19 proceeds from the sale of the property less reimbursement for any  
20 costs to the state associated with the sale of the property.