

CAMP CURNALIA COTTAGE OWNERS ASSOCIATION CONVEYANCE

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Senate Bill 1499

Sponsor: Sen. Michelle A. McManus

House Committee: Regulatory Reform

Senate Committee: Appropriations

Complete to 12-11-06

A SUMMARY OF SENATE BILL 1499 AS PASSED BY THE SENATE 11-30-06

The bill would authorize the Department of Natural Resources (DNR), on behalf of the state, to convey 75.97 acres of land located in the counties of Roscommon and Crawford, with over 3,000 feet of Higgins Lake frontage, to the Camp Curnalia Cottage Owners Association for \$154.50. Revenue received under the bill would be deposited in the state treasury and credited to the general fund.

The property is heavily improved with 412 homes and cabins used by the American Legion. Currently, the DNR is the underlying owner and for decades has leased the property to the American Legion. The American Legion subleases the land to cottage owners for a one-time charge of \$50.

The bill would require the property to be used exclusively for residential cottages and allied recreational purposes for the benefit of ex-service personnel, their spouses, and direct lineal descendants, consistent with prior leases for the use and occupancy of those lands. Upon violation of these terms, the state could (but would not be required to) reenter and repossess the property. The attorney general could bring an action to quiet title to, and regain possession of, the property if the Association disputed the state's exercise of its right of reentry and failed to promptly deliver possession of the property.

The bill would also require all of the following:

- The use and eligibility for ownership of residences and grounds within the property would have to be limited to ex-service personnel, their spouses, and direct lineal descendants. This requirement would have to be enforced by the Camp Curnalia Cottage Owners Association.
- The Association could not amend its bylaws or rules in such a manner that violated or failed to enforce the above requirement.
- Any further conveyance of the property by the Association, whether by deed, operation of law, or otherwise, would have to be made specifically subject to the stated ownership restrictions.

As a condition of entering into the conveyance, the DNR would have to require that any and all leasehold interests in the property described in the bill be terminated in

accordance with the lease terms. The conveyance would be by quitclaim deed approved by the attorney general and would reserve mineral rights to the state. The conveyance would also have to reserve 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 the aboriginal antiquity by the state or its authorized agents.

FISCAL IMPACT:

This bill would eliminate the existing property tax exemptions, thus increasing revenues to local units and the School Aid Fund by an indeterminate amount.

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