

HOUSE BILL No. 6030

November 8, 2012, Introduced by Rep. Bauer and referred to the Committee on Appropriations.

A bill to authorize the state administrative board to convey certain parcels of state-owned property in Ingham, Schoolcraft, and Wayne counties; to prescribe conditions for the conveyances; to provide for certain powers and duties of certain state departments in regard to the properties; and to provide for disposition of revenue derived from the conveyances.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The state administrative board, on behalf of the
2 state, may convey by quitclaim deed all or portions of certain
3 state-owned property now under the jurisdiction of the department
4 of technology, management, and budget, commonly known as 227 N.
5 Sycamore, and located in the City of Lansing, Ingham county,
6 Michigan, and further described as follows:

1 Lot 2, Block 90, Original Plat, City of Lansing, Ingham County,
2 Michigan, according to the plat thereof as set forth in Liber 2 of
3 Plats, Pages 36 through 38, Ingham County Records. Including all
4 fluid, mineral and gas rights, subject to and including a mutual
5 driveway agreement over the South 6 feet of the East 100 feet of
6 the subject property and the North 6 feet of the East 100 feet of
7 Lot 3, Block 90, Original Plat, City of Lansing, as set forth in
8 Liber 293, Page 196, Ingham County Records.

9 (2) The description of the property in subsection (1) is
10 approximate and, for purposes of the conveyance, is subject to
11 adjustments as the state administrative board or the attorney
12 general considers necessary by survey or other legal description.

13 (3) The property described in subsection (1) includes all
14 surplus, salvage, and scrap property or equipment remaining on the
15 property as of the date of the conveyance.

16 (4) The fair market value of the property described in
17 subsection (1) shall be determined by an appraisal prepared for the
18 department of technology, management, and budget by an independent
19 appraiser.

20 (5) The director of the department of technology, management,
21 and budget shall first offer the property described in subsection
22 (1) for sale for \$1.00 to the local units of government in which
23 the property is located. To exercise its right to purchase the
24 property under this subsection, a local unit of government shall
25 enter into a purchase agreement within 60 days after the date of
26 the offer and shall complete the purchase within 120 days after the
27 date of the offer. Conveyance of any portion of the property for

1 \$1.00 is subject to subsections (7) and (8).

2 (6) If the property described in subsection (1) is not
3 conveyed pursuant to subsection (5), the department of technology,
4 management, and budget shall take the necessary steps to prepare to
5 convey the property using any of the following at any time:

6 (a) Competitive bidding designed to realize the best value to
7 the state, as determined by the department of technology,
8 management, and budget.

9 (b) A public auction designed to realize the best value to the
10 state, as determined by the department of technology, management,
11 and budget.

12 (c) Real estate brokerage services designed to realize the
13 best value to the state, as determined by the department of
14 technology, management, and budget.

15 (d) Offering the property for sale for fair market value to a
16 local unit or units of government.

17 (e) Offering the property for sale for less than fair market
18 value to a local unit or units of government subject to subsections
19 (7) and (8).

20 (f) Conveying the property to the land bank fast track
21 authority established under the land bank fast track act, 2003 PA
22 258, MCL 124.751 to 124.774.

23 (7) Any conveyance for less than fair market value authorized
24 by subsection (5) or (6)(e) shall provide for all of the following:

25 (a) The property shall be used exclusively for public purposes
26 and if any fee, term, or condition for the use of the property is
27 imposed on members of the public, or if any of those fees, terms,

1 or conditions are waived for use of the property, all members of
2 the public shall be subject to the same fees, terms, conditions,
3 and waivers.

4 (b) In the event of an activity inconsistent with subdivision
5 (a), the state may reenter and repossess the property, terminating
6 the grantee's or successor's estate in the property.

7 (c) If the grantee or successor disputes the state's exercise
8 of its right of reentry and fails to promptly deliver possession of
9 the property to the state, the attorney general, on behalf of the
10 state, may bring an action to quiet title to, and regain possession
11 of, the property.

12 (d) If the state reenters and repossesses the property, the
13 state is not liable to reimburse any party for any improvements
14 made on the property.

15 (e) The grantee shall reimburse the state for requested costs
16 necessary to prepare the property for conveyance.

17 (8) For property conveyed pursuant to subsection (5) or
18 (6)(e), if the local unit of government intends to convey the
19 property within 10 years after the conveyance from the state, the
20 local unit shall provide notice to the department of technology,
21 management, and budget of its intent to offer the property for
22 sale. The department of technology, management, and budget shall
23 retain a right to first purchase the property at the original sale
24 price within 90 days after the notice. If the state repurchases the
25 property, the state is not liable to any party for improvements to,
26 or liens placed on, the property. If the state waives its first
27 refusal right, the local unit of government shall pay to the state

1 40% of the difference between the sale price of the conveyance from
2 the state and the sale price of the local unit's subsequent sale or
3 sales to a third party.

4 (9) The department of attorney general shall approve as to
5 legal form the quitclaim deed authorized by this section.

6 (10) The state shall not reserve oil, gas, or mineral rights
7 to the property conveyed under this section. However, the
8 conveyance authorized under this section shall provide that, if the
9 purchaser or any grantee develops any oil, gas, or minerals found
10 on, within, or under the conveyed property, the purchaser or any
11 grantee shall pay the state 1/2 of the gross revenue generated from
12 the development of the oil, gas, or minerals. This payment shall be
13 deposited in the general fund.

14 (11) The state reserves all aboriginal antiquities including
15 mounds, earthworks, forts, burial and village sites, mines, or
16 other relics lying on, within, or under the property with power to
17 the state and all others acting under its authority to enter the
18 property for any purpose related to exploring, excavating, and
19 taking away the aboriginal antiquities.

20 (12) The net revenue received by the state from the sale of
21 property under this section shall be deposited in the state
22 treasury and credited to the general fund. As used in this
23 subsection, "net revenue" means the proceeds from the sale of the
24 property less reimbursement for any costs to the state associated
25 with the sale of property, including, but not limited to,
26 administrative costs, including employee wages, salaries, and
27 benefits; costs of reports and studies and other materials

1 necessary to prepare for the sale; environmental remediation costs;
2 legal fees; and costs of any litigation related to the conveyance
3 of the property.

4 Sec. 2. (1) The state administrative board, on behalf of the
5 state, may convey by quitclaim deed all or portions of certain
6 state-owned property now under the jurisdiction of the department
7 of corrections, commonly known as Camp Manistique, and located in
8 the city of Manistique, Schoolcraft county, Michigan, and further
9 described as follows:

10 A parcel of land being part of the NE 1/4 of the NE 1/4 of Section
11 12, T41N-R16W, and part of the NW 1/4 of the NW 1/4 of Section 7,
12 T41N-R15W, City of Manistique, Schoolcraft County, Michigan
13 described as:

14 Commencing at the Northwest corner of Section 7; thence
15 S00°22'09"W, 15.58 feet to the South Right-of-Way line of the
16 Wisconsin Central Railroad; thence S88° 22'52"E, 547.40 feet along
17 the South Railroad Right-of-Way line; thence S00° 22'09"W, 894.43
18 feet; thence N89°36'54"W, 547.27 feet to a found concrete monument
19 on the West line of Section 7; thence N89°05'11"W, 449.78 feet to a
20 found concrete monument; thence S02°29'48"W, 60.01 feet to a found
21 concrete monument; thence N89°03'52"W, 422.66 feet to the East
22 Right-of-Way line of Maple Avenue; thence N02°24'01"E, 104.30 feet
23 along the East Right-of-Way line of Maple Avenue to the North
24 Right-of-Way line of Pine Street; thence N78°15'15"W, 31.60 feet
25 along the North Right-of-Way line of Pine Street; thence
26 N03°17'44"E, 867.11 feet to the South Right-of-Way line of the
27 Wisconsin Central Railroad; thence S88°22'52"E, 857.85 feet along

1 the South Railroad Right-of-Way line to the Point of Beginning
2 containing 30.297 acres and subject to restrictions, reservations,
3 rights-of-way and easements of record.

4 (2) The description of the property in subsection (1) is
5 approximate and, for purposes of the conveyance, is subject to
6 adjustments as the state administrative board or the attorney
7 general considers necessary by survey or other legal description.

8 (3) The property described in subsection (1) includes all
9 surplus, salvage, and scrap property or equipment remaining on the
10 property as of the date of the conveyance.

11 (4) The fair market value of the property described in
12 subsection (1) shall be determined by an appraisal prepared for the
13 department of technology, management, and budget by an independent
14 appraiser.

15 (5) The director of the department of technology, management,
16 and budget shall first offer the property described in subsection
17 (1) for sale for \$1.00 to the local units of government in which
18 the property is located. To exercise its right to purchase the
19 property under this subsection, a local unit of government shall
20 enter into a purchase agreement within 60 days after the date of
21 the offer and shall complete the purchase within 120 days after the
22 date of the offer. Conveyance of any portion of the property for
23 \$1.00 is subject to subsections (7) and (8).

24 (6) If the property described in subsection (1) is not
25 conveyed pursuant to subsection (5), the department of technology,
26 management, and budget shall take the necessary steps to prepare to
27 convey the property using any of the following at any time:

1 (a) Competitive bidding designed to realize the best value to
2 the state, as determined by the department of technology,
3 management, and budget.

4 (b) A public auction designed to realize the best value to the
5 state, as determined by the department of technology, management,
6 and budget.

7 (c) Real estate brokerage services designed to realize the
8 best value to the state, as determined by the department of
9 technology, management, and budget.

10 (d) Offering the property for sale for fair market value to a
11 local unit or units of government.

12 (e) Offering the property for sale for less than fair market
13 value to a local unit or units of government subject to subsections
14 (7) and (8).

15 (f) Conveying the property to the land bank fast track
16 authority established under the land bank fast track act, 2003 PA
17 258, MCL 124.751 to 124.774.

18 (7) Any conveyance for less than fair market value authorized
19 by subsection (5) or (6)(e) shall provide for all of the following:

20 (a) The property shall be used exclusively for public purposes
21 and if any fee, term, or condition for the use of the property is
22 imposed on members of the public, or if any of those fees, terms,
23 or conditions are waived for use of the property, all members of
24 the public shall be subject to the same fees, terms, conditions,
25 and waivers.

26 (b) In the event of an activity inconsistent with subdivision
27 (a), the state may reenter and repossess the property, terminating

1 the grantee's or successor's estate in the property.

2 (c) If the grantee or successor disputes the state's exercise
3 of its right of reentry and fails to promptly deliver possession of
4 the property to the state, the attorney general, on behalf of the
5 state, may bring an action to quiet title to, and regain possession
6 of, the property.

7 (d) If the state reenters and repossesses the property, the
8 state is not liable to reimburse any party for any improvements
9 made on the property.

10 (e) The grantee shall reimburse the state for requested costs
11 necessary to prepare the property for conveyance.

12 (8) For property conveyed pursuant to subsection (5) or
13 (6)(e), if the local unit of government intends to convey the
14 property within 10 years after the conveyance from the state, the
15 local unit shall provide notice to the department of technology,
16 management, and budget of its intent to offer the property for
17 sale. The department of technology, management, and budget shall
18 retain a right to first purchase the property at the original sale
19 price within 90 days after the notice. If the state repurchases the
20 property, the state is not liable to any party for improvements to,
21 or liens placed on, the property. If the state waives its first
22 refusal right, the local unit of government shall pay to the state
23 40% of the difference between the sale price of the conveyance from
24 the state and the sale price of the local unit's subsequent sale or
25 sales to a third party.

26 (9) The department of attorney general shall approve as to
27 legal form the quitclaim deed authorized by this section.

1 (10) The state shall not reserve oil, gas, or mineral rights
2 to the property conveyed under this section. However, the
3 conveyance authorized under this section shall provide that, if the
4 purchaser or any grantee develops any oil, gas, or minerals found
5 on, within, or under the conveyed property, the purchaser or any
6 grantee shall pay the state 1/2 of the gross revenue generated from
7 the development of the oil, gas, or minerals. This payment shall be
8 deposited in the general fund.

9 (11) The state reserves all aboriginal antiquities including
10 mounds, earthworks, forts, burial and village sites, mines, or
11 other relics lying on, within, or under the property with power to
12 the state and all others acting under its authority to enter the
13 property for any purpose related to exploring, excavating, and
14 taking away the aboriginal antiquities.

15 (12) The net revenue received by the state from the sale of
16 property under this section shall be deposited in the state
17 treasury and credited to the general fund. As used in this
18 subsection, "net revenue" means the proceeds from the sale of the
19 property less reimbursement for any costs to the state associated
20 with the sale of property, including, but not limited to,
21 administrative costs, including employee wages, salaries, and
22 benefits; costs of reports and studies and other materials
23 necessary to prepare for the sale; environmental remediation costs;
24 legal fees; and costs of any litigation related to the conveyance
25 of the property.

26 Sec. 3. (1) The state administrative board, on behalf of the
27 state, may convey by quitclaim deed all or portions of certain

1 state-owned property now under the jurisdiction of the department
2 of human services, commonly known as the Medbury parking lot, and
3 located in the city of Hamtramck, Wayne county, Michigan, and
4 further described as follows:

5 WARD 15

6 CAP 0086 BELT LINE SUB OF THE N'LY PART OF PC 573 KNOWN AS L.

7 CHAPOTON FARM & THE NW'LY PART OF PC 678, HAMTRAMCK, WAYNE CO.

8 L 00012P82

9 Lot 32 & Lot 31 & W 9 ft vac alley Item 10947

10 Lot 58 & E 9 ft vac alley Item 10286

11 Lot 57 & E 9 ft vac alley Item 10287

12 Lot 56 & E 9 ft vac alley Item 10288

13 Lot 55 & E 9 ft vac alley Item 10289

14 Lot 54 & E 9 ft vac alley Item 10290

15 Subject to any easements and/or rights of record as may pertain to
16 these parcels.

17 (2) The description of the property in subsection (1) is
18 approximate and, for purposes of the conveyance, is subject to
19 adjustments as the state administrative board or the attorney
20 general considers necessary by survey or other legal description.

21 (3) The property described in subsection (1) includes all
22 surplus, salvage, and scrap property or equipment remaining on the
23 property as of the date of the conveyance.

24 (4) The fair market value of the property described in
25 subsection (1) shall be determined by an appraisal prepared for the
26 department of technology, management, and budget by an independent
27 appraiser.

1 (5) The department of technology, management, and budget shall
2 take the necessary steps to prepare to convey the property using
3 any of the following at any time:

4 (a) Competitive bidding designed to realize the best value to
5 the state, as determined by the department of technology,
6 management, and budget.

7 (b) A public auction designed to realize the best value to the
8 state, as determined by the department of technology, management,
9 and budget.

10 (c) Real estate brokerage services designed to realize the
11 best value to the state, as determined by the department of
12 technology, management, and budget.

13 (d) Offering the property for sale for fair market value to a
14 local unit or units of government.

15 (e) Offering the property for sale for less than fair market
16 value to a local unit or units of government subject to subsections
17 (6) and (7).

18 (f) Conveying the property to the land bank fast track
19 authority established under the land bank fast track act, 2003 PA
20 258, MCL 124.751 to 124.774.

21 (6) Any conveyance for less than fair market value authorized
22 by subsection (5)(e) shall provide for all of the following:

23 (a) The property shall be used exclusively for public purposes
24 and if any fee, term, or condition for the use of the property is
25 imposed on members of the public, or if any of those fees, terms,
26 or conditions are waived for use of the property, all members of
27 the public shall be subject to the same fees, terms, conditions,

1 and waivers.

2 (b) In the event of an activity inconsistent with subdivision
3 (a), the state may reenter and repossess the property, terminating
4 the grantee's or successor's estate in the property.

5 (c) If the grantee or successor disputes the state's exercise
6 of its right of reentry and fails to promptly deliver possession of
7 the property to the state, the attorney general, on behalf of the
8 state, may bring an action to quiet title to, and regain possession
9 of, the property.

10 (d) If the state reenters and repossesses the property, the
11 state is not liable to reimburse any party for any improvements
12 made on the property.

13 (e) The grantee shall reimburse the state for requested costs
14 necessary to prepare the property for conveyance.

15 (7) For property conveyed pursuant to subsection (5)(e), if
16 the local unit of government intends to convey the property within
17 10 years after the conveyance from the state, the local unit shall
18 provide notice to the department of technology, management, and
19 budget of its intent to offer the property for sale. The department
20 of technology, management, and budget shall retain a right to first
21 purchase the property at the original sale price within 90 days
22 after the notice. If the state repurchases the property, the state
23 is not liable to any party for improvements to, or liens placed on,
24 the property. If the state waives its first refusal right, the
25 local unit of government shall pay to the state 40% of the
26 difference between the sale price of the conveyance from the state
27 and the sale price of the local unit's subsequent sale or sales to

1 a third party.

2 (8) The department of attorney general shall approve as to
3 legal form the quitclaim deed authorized by this section.

4 (9) The state shall not reserve oil, gas, or mineral rights to
5 the property conveyed under this section. However, the conveyance
6 authorized under this section shall provide that, if the purchaser
7 or any grantee develops any oil, gas, or minerals found on, within,
8 or under the conveyed property, the purchaser or any grantee shall
9 pay the state 1/2 of the gross revenue generated from the
10 development of the oil, gas, or minerals. This payment shall be
11 deposited in the general fund.

12 (10) The state reserves all aboriginal antiquities including
13 mounds, earthworks, forts, burial and village sites, mines, or
14 other relics lying on, within, or under the property with power to
15 the state and all others acting under its authority to enter the
16 property for any purpose related to exploring, excavating, and
17 taking away the aboriginal antiquities.

18 (11) The net revenue received by the state from the sale of
19 property under this section shall be deposited in the state
20 treasury and credited to the general fund. As used in this
21 subsection, "net revenue" means the proceeds from the sale of the
22 property less reimbursement for any costs to the state associated
23 with the sale of property, including, but not limited to,
24 administrative costs, including employee wages, salaries, and
25 benefits; costs of reports and studies and other materials
26 necessary to prepare for the sale; environmental remediation costs;
27 legal fees; and costs of any litigation related to the conveyance

1 of the property.