

SENATE BILL No. 449

June 13, 2017, Introduced by Senators HERTEL and MEEKHOF and referred to the Committee on Government Operations.

A bill to authorize the department of technology, management, and budget to convey parcels of state-owned property in Ingham County; to provide for powers and duties of state departments, agencies, and officers and branches of state government in regard to the property; and to provide for disposition of revenue derived from the conveyances.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The department of technology, management, and
2 budget, on behalf of this state, may convey by quitclaim deed all
3 or portions of real property owned by this state located in the
4 city of Lansing, County of Ingham, Michigan, and further described
5 as follows:

6 PARCEL 1

7 The East 30 feet of the West 78 feet of the North 100 feet of Lots

1 11 and 12 and the North 100 feet of the West 48 feet of Lots 11 and
2 12, Block 115, Original Plat of the City of Lansing, City of
3 Lansing, Ingham County, Michigan, according to the recorded plat
4 thereof.

5 PARCEL 2

6 The north 32 5/6 feet of Lot 10 and the South 21 feet of Lot 11,
7 Block 115, Original Plat of the City of Lansing, City of Lansing,
8 Ingham County, Michigan, according to the recorded plat thereof.

9 (2) The department of technology, management, and budget may
10 take the necessary steps to convey real property described in
11 subsection (1) using any publicly disclosed competitive method of
12 sale, selected to realize the fair market value to this state, as
13 determined by the department of technology, management, and budget,
14 or by a value-for-value conveyance negotiated by the department of
15 technology, management, and budget designed to realize the best
16 value to this state. In determining whether a value-for-value
17 conveyance of the property represents the best value, the
18 department may consider the fair market value or the total value
19 based on a property exchange, or any positive economic impact to
20 this state likely to be generated by the proposed use of the
21 property.

22 (3) The department of technology, management, and budget shall
23 not convey property under this section unless the conveyance and
24 the terms of the conveyance have been approved by the state
25 administrative board or the director of the department of
26 technology, management, and budget.

27 (4) The fair market value must be determined by an independent

1 fee appraisal prepared for the department of technology,
2 management, and budget, or by an appraiser who is an employee or
3 contractor of this state.

4 (5) The state agency or branch of state government with
5 jurisdiction over real property conveyed or transferred under this
6 section is responsible for all expenses of maintaining the property
7 until the time of conveyance or transfer.

8 (6) A deed authorized by this section must be approved as to
9 legal form by the department of the attorney general.

10 (7) Real property conveyed or transferred under this section
11 includes all surplus, salvage, and personal property or equipment
12 remaining on the property on the date of the conveyance or
13 transfer.

14 (8) This state shall not reserve oil, gas, or mineral rights
15 to property conveyed under this section. However, the conveyance
16 authorized under this section must provide that, if the grantee or
17 any successor develops any oil, gas, or minerals found on, within,
18 or under the conveyed property, the grantee or any successor must
19 pay this state 1/2 of the gross revenue generated from the
20 development of the oil, gas, or minerals. A payment under this
21 subsection must be deposited in the general fund.

22 (9) A conveyance under this section must reserve to this state
23 all aboriginal antiquities, including mounds, earthworks, forts,
24 burial and village sites, mines, or other relics lying on, within,
25 or under the property, with power to this state and all others
26 acting under its authority to enter the property for any purpose
27 related to exploring, excavating, and taking away the aboriginal

1 antiquities.

2 (10) The revenue received from the sale of property under this
3 section must be used to reimburse the department of technology,
4 management, and budget as required by section 896 of article VIII
5 of 2014 PA 252 and to reimburse the department of technology,
6 management, and budget for costs incurred related to the sale of
7 the property, related expenses, and other ongoing costs, including,
8 but not limited to, administrative costs, costs of appraisals,
9 reports and studies, and other materials necessary to the
10 preparation of sale; environmental remediation; legal fees; and any
11 litigation related to the conveyance of the property. Any remaining
12 revenue must be deposited in the general fund.

13 (11) If property conveyed under this section is used in a
14 manner that violates any of the restrictions imposed under
15 subsection (8) or (9), this state may reenter and take the
16 property, terminating the grantee's or any successor's estate in
17 the property. An action to regain possession of the property under
18 this section may be brought and maintained by the attorney general
19 on behalf of this state.

20 (12) If this state reenters and repossesses property under
21 subsection (11), this state is not liable to reimburse any person
22 for any improvements made on the property or to compensate any
23 person for any part of an unfulfilled contract or license issued to
24 provide goods or services on or for the property.

25 (13) The department of technology, management, and budget may
26 require a grantee of property conveyed under this section to record
27 the sale with the appropriate register of deeds and provide the

1 department of technology, management, and budget with a recorded
2 copy of the recorded instrument.

3 (14) As used in this section, "fair market value" means the
4 highest estimated price that the real property will bring if
5 offered for sale on the open market, allowing a reasonable time to
6 find a purchaser who would buy with knowledge of the property's
7 possible uses.