

SENATE BILL NO. 960

March 15, 2022, Introduced by Senator MCCANN and referred to the Committee on Appropriations.

A bill to authorize the state administrative board to convey or transfer state-owned property in Kalamazoo County; to prescribe conditions for the conveyance or transfer; to provide for powers and duties of state departments, agencies, and officers in regard to the property; and to provide for disposition of revenue derived from the conveyance.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Fair market value" means the highest estimated price that
3 the property will bring if offered for sale on the open market,

1 allowing a reasonable time to find a purchaser who would buy with
2 knowledge of the property's possible uses.

3 (b) "Net revenue" means the proceeds from the sale of the
4 property less reimbursement for any costs to the department of
5 technology, management, and budget associated with the sale,
6 including, but not limited to, administrative costs, including
7 employee wages, salaries, and benefits; costs of reports and
8 studies and other materials necessary to the preparation of sale;
9 environmental remediation; legal fees; and any litigation costs
10 related to the conveyance.

11 (c) "Public use" means, subject to subdivision (d), actual use
12 of the property by members of the public or actual use by the unit
13 of local government for any of the following:

14 (i) Publicly owned and operated correctional facilities.

15 (ii) Law enforcement purposes.

16 (iii) Emergency management response purposes.

17 (iv) Public educational use.

18 (v) Public transportation.

19 (vi) Public parks and recreational areas.

20 (vii) Public health uses.

21 (viii) Wildlife conservation or restoration.

22 (d) Public use does not include use by a for-profit enterprise
23 or any use that is closed to the public.

24 (e) "Unit of local government" means a township, village,
25 city, county, school district, intermediate school district, or
26 community college district.

27 Sec. 2. (1) The state administrative board, on behalf of this
28 state, may convey by quitclaim deed or transfer by affidavit of
29 jurisdictional transfer all or portions of real property described

1 in subsection (2) that is owned by this state and under the
2 jurisdiction of the department of environment, Great Lakes, and
3 energy.

4 (2) The real property that may be conveyed or transferred
5 under this act is located at 2500 West W Avenue in the township of
6 Schoolcraft, Kalamazoo County, Michigan, which is further described
7 as follows:

8 SECTION 20, TOWN 4 SOUTH, RANGE 11 WEST, COMMENCING AT THE
9 NORTHWEST CORNER OF SECTION 20; THENCE SOUTH 89 DEGREES 22 MINUTES
10 00 SECONDS EAST ON THE NORTH LINE OF SECTION 20, 1320.18 FEET TO
11 THE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 22 MINUTES 00
12 SECONDS EAST ON THE NORTH LINE OF SECTION 20, 1320.18 FEET TO THE
13 NORTH 1/4 CORNER OF SECTION 20; THENCE SOUTH 89 DEGREES 29 MINUTES
14 20 SECONDS EAST ON THE NORTH LINE OF SECTION 20, 11.81 FEET; THENCE
15 SOUTH, 1292.08 FEET TO THE NORTH LINE OF GRAND TRUNK & WESTERN
16 RAILROAD RIGHT OF WAY; THENCE NORTH 89 DEGREES 48 MINUTES 29
17 SECONDS WEST ON THE NORTH LINE OF SAID RAILROAD RIGHT OF WAY, 11.94
18 FEET TO THE NORTH-SOUTH 1/4 LINE OF SECTION 20; THENCE SOUTH 00
19 DEGREES 00 MINUTES 21 SECONDS WEST ON THE NORTH-SOUTH 1/4 LINE,
20 66.00 FEET TO THE SOUTH LINE OF SAID RAILROAD RIGHT OF WAY; THENCE
21 SOUTH 89 DEGREES 48 MINUTES 29 SECONDS EAST ALONG SOUTH LINE OF
22 SAID RAILROAD RIGHT OF WAY, 666.89 FEET; THENCE SOUTH 00 DEGREES 11
23 MINUTES 31 SECONDS WEST, 16.50 FEET; THENCE SOUTH 89 DEGREES 48
24 MINUTES 29 SECONDS EAST ON THE SOUTH LINE OF SAID RAILROAD RIGHT OF
25 WAY, 1306.98 FEET; THENCE SOUTH 00 DEGREES 01 MINUTES 43 SECONDS
26 EAST, 1298.01 FEET TO THE EAST-WEST 1/4 LINE OF SECTION 20; THENCE
27 NORTH 89 DEGREES 29 MINUTES 39 SECONDS WEST ALONG EAST-WEST 1/4
28 LINE OF SECTION 20, 1974.66 FEET TO THE CENTER SECTION 20; THENCE
29 WEST ON EAST-WEST 1/4 LINE OF SECTION 20, 1318.30 FEET; THENCE

1 NORTH 00 DEGREES 02 MINUTES 02 SECONDS WEST, 2664.78 FEET TO THE
2 POINT OF BEGINNING. EXCEPTING THEREFROM THE GRAND TRUNK & WESTERN
3 RAILROAD RIGHT OF WAY, CONSISTING OF APPROXIMATELY 137.84 ACRES,
4 MORE OR LESS AND SUBJECT TO ANY EXISTING LEASES, EASEMENTS OR OTHER
5 RESTRICTIONS OF RECORD.

6 (3) The description of the property in subsection (2) is
7 approximate and, for purposes of a conveyance or transfer under
8 this act, may be adjusted by a professional survey conducted or
9 otherwise approved by the department of technology, management, and
10 budget.

11 Sec. 3. (1) The state administrative board may take the
12 necessary steps to convey or transfer real property described in
13 section 2 using any of the following means:

14 (a) Any publicly disclosed competitive method of sale,
15 selected to realize the fair market value to this state, as
16 determined by the department of technology, management, and budget.

17 (b) Offering the property for sale for fair market value to 1
18 or more units of local government in which the property is located.

19 (c) Transferring the property, with or without consideration,
20 through jurisdictional transfer to another state agency or to the
21 state land bank authority created under section 15 of the land bank
22 fast track act, 2003 PA 258, MCL 124.765, and renamed by Executive
23 Reorganization Order No. 2019-3, MCL 125.1998. If property is
24 transferred under this subdivision, the transfer must be made by an
25 affidavit of jurisdictional transfer in recordable form rather than
26 a quitclaim deed.

27 (d) Exchanging some or all of the property for other real
28 property if the other real property is determined by the department
29 of technology, management, and budget to be of reasonably equal

1 value to this state.

2 (e) Offering the property for sale for less than fair market
3 value to the units of local government in which the property is
4 located, subject to the following conditions:

5 (i) The department of technology, management, and budget may
6 provide notice to each unit of local government of the property's
7 availability. The department shall give the first opportunity to
8 purchase the property to the first unit of local government to make
9 an offer by registered mail to purchase the property.

10 (ii) If a unit of local government makes an offer to purchase
11 the property that is accepted by the department of technology,
12 management, and budget, the unit of local government shall enter
13 into a purchase agreement within 60 days after making the offer and
14 complete the conveyance within 180 days after making the offer. The
15 department of technology, management, and budget may extend the
16 time to complete the conveyance as needed.

17 (iii) If there are competing offers from units of local
18 government, the department of technology, management, and budget
19 shall determine what is in the best interests of this state in
20 determining which unit of local government to convey the property
21 to.

22 (iv) The property must be used exclusively for public use for
23 30 years after the conveyance. If a fee, term, or condition is
24 imposed on members of the public for use of the property, or if
25 such a fee, term, or condition is waived, all members of the public
26 must be subject to the same fees, terms, conditions, and waivers.
27 The public use restriction must be included in the deed.

28 (v) If the unit of local government intends to convey the
29 property within 30 years after the conveyance, the unit of local

1 government must first offer the property for sale, in writing, to
2 this state, which may purchase the property at the original sale
3 price. The unit of local government shall provide this state 120
4 days to consider reacquiring the property. If this state agrees to
5 reacquire the property, this state is not liable to any person for
6 improvements to or liens placed on the property. If this state
7 declines to reacquire the property, the public use restrictions
8 described in subparagraph (ii) remain in effect.

9 (vi) If the unit of local government retains the property for
10 30 years after the date of conveyance from this state, the public
11 use restrictions described in subparagraph (ii) automatically
12 terminate.

13 (vii) The department of technology, management, and budget may
14 require the unit of local government to reimburse this state at
15 closing for costs demonstrably incurred by this state that were
16 necessary to prepare the property for conveyance.

17 (2) If real property is to be sold for fair market value under
18 this section, the fair market value must be determined by an
19 independent fee appraisal prepared for the department of
20 technology, management, and budget, or by an appraiser who is an
21 employee or contractor of this state.

22 Sec. 4. (1) The department of attorney general shall approve
23 as to legal form a deed or affidavit of jurisdictional transfer
24 authorized by this act.

25 (2) Real property conveyed or transferred under this act
26 includes all improvements on the property and all surplus, salvage,
27 and scrap property or equipment remaining on the property on the
28 date of the conveyance or transfer.

29 (3) This state shall not reserve oil, gas, or mineral rights

1 to property conveyed under this act. However, the conveyance
2 authorized under this act must provide that, if the grantee or any
3 successor develops any oil, gas, or minerals found on, within, or
4 under the conveyed property, the grantee or any successor must pay
5 this state 1/2 of the gross revenue generated from the development
6 of the oil, gas, or minerals. A payment under this subsection must
7 be deposited in the general fund.

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

15 (5) If property conveyed under this act was officially
16 designated or used by this state as a historical monument,
17 memorial, burial ground, park, or protected wildlife habitat area,
18 the grantee or any successor shall maintain and protect the
19 property for that purpose in perpetuity in accordance with
20 applicable law.

21 (6) If property conveyed under this act is used in a manner
22 that violates any of the restrictions imposed under section 3 or
23 subsection (3), (4), or (5), this state may reenter and take the
24 property, terminating the grantee's or any successor's estate in
25 the property. If the grantee or successor disputes this state's
26 exercise of its right of reentry, an action to quiet title to and
27 regain possession of the property may be brought and maintained by
28 the attorney general on behalf of this state.

29 (7) If this state reenters and repossesses property under

1 subsection (6), this state is not liable to reimburse any person
2 for any improvements made on the property or to compensate any
3 person for any part of an unfulfilled contract or license issued to
4 provide goods or services on or for the property.

5 Sec. 5. (1) The department of environment, Great Lakes, and
6 energy is responsible for all due diligence duties and expenses
7 required for prudently and properly maintaining the property to be
8 conveyed or transferred under this act until the time of conveyance
9 or jurisdictional transfer.

10 (2) The department of technology, management, and budget may
11 require a grantee of property conveyed under this act or recipient
12 under an affidavit of jurisdictional transfer to record the
13 instrument of conveyance or transfer with the register of deeds for
14 Kalamazoo County and provide the department of technology,
15 management, and budget with a recorded copy of the recorded
16 instrument.

17 (3) The net revenue received from the sale of property under
18 this act must be deposited in the cleanup and redevelopment fund
19 created in section 20108 of the natural resources and environmental
20 protection act, 1994 PA 451, MCL 324.20108, and credited to the
21 subaccount required to be established under section 20108 of the
22 natural resources and environmental protection act, 1994 PA 451,
23 MCL 324.20108, for all money in the former environmental response
24 fund.