

# HOUSE BILL No. 5814

September 16, 2014, Introduced by Rep. Leonard and referred to the Committee on Appropriations.

A bill to authorize the state administrative board to convey certain state-owned property located in Gratiot county; to prescribe conditions for the conveyance; to provide for the disposition of revenue derived from the conveyance; and to provide for the powers and duties of certain state departments.

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

1           Sec. 1. (1) The state administrative board, on behalf of this  
2 state, may convey as provided in subsection (4) or (6), all or  
3 portions of state-owned property located in the township of  
4 Emerson, Gratiot county, Michigan, and more specifically described  
5 as follows:  
6 The south 10 acres of the west 25 acres of the northwest quarter of  
7 the northwest quarter of section 30, Town 11 North, Range 2 West,

1 Michigan.

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

6 (3) The property to be conveyed under subsection (1) includes  
7 all surplus, salvage, and scrap property or equipment remaining on  
8 the property on the date of the conveyance.

9 (4) The director of the department of technology, management,  
10 and budget shall first offer the property described in subsection  
11 (1) for sale for \$1.00 to the city of Ithaca, subject to  
12 subsections (5), (7), and (8). If all of the property is not sold  
13 to the city of Ithaca, the director of the department shall offer  
14 the remaining property for sale for \$1.00 to the county of Gratiot,  
15 subject to subsections (5), (7), and (8).

16 (5) To purchase the property under subsection (4), a local  
17 unit of government shall enter into a purchase agreement within 60  
18 days after the date of the offer to the local unit of government  
19 and complete the purchase within 120 days after the date of the  
20 offer.

21 (6) If the property described in subsection (1) or any portion  
22 of the property is not conveyed under subsection (5), the  
23 department of technology, management, and budget shall take the  
24 necessary steps to convey the remaining property, except as  
25 provided in subdivision (e), for not less than the fair market  
26 value, using any of the following methods:

27 (a) Competitive bidding designed to realize the best value to

1 this state, as determined by the department.

2 (b) A public auction designed to realize the best value to  
3 this state, as determined by the department.

4 (c) Real estate brokerage services designed to realize the  
5 best value to this state, as determined by the department.

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

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

11 (7) If the property described in subsection (1) is conveyed  
12 under subsection (4) or (6)(e), the state administrative board  
13 shall include all of the following provisions in the deed:

14 (a) The property shall be used exclusively for public purposes  
15 and if any fee, term, or condition for the use of the property is  
16 imposed on members of the public, or if any of those fees, terms,  
17 or conditions are waived for use of the property, all members of  
18 the public shall be subject to the same fees, terms, conditions,  
19 and waivers.

20 (b) If a provision described in subdivision (a) is violated,  
21 this state may reenter and repossess the property, terminating the  
22 grantee's or any successor's estate in the property.

23 (c) If the grantee or any successor disputes this state's  
24 exercise of its right of reentry and fails to promptly deliver  
25 possession of the property to this state, the attorney general, on  
26 behalf of this state, may bring an action to quiet title to, and  
27 regain possession of, the property.

1           (d) If this state reenters and repossesses the property, this  
2 state is not liable to reimburse any person for any improvements  
3 made on the property.

4           (8) If the property described in subsection (1) is conveyed  
5 under subsection (4) or (6)(e) and if the local unit of government  
6 intends to convey the property within 10 years after the  
7 conveyance, the local unit shall provide notice to the department  
8 of technology, management, and budget of its intent to offer the  
9 property for sale. The department has the right to first purchase  
10 the property on behalf of this state at the original sale price  
11 within 90 days after the notice is received. If this state  
12 repurchases the property, this state is not liable to any person  
13 for improvements to, or liens placed on, the property. If the  
14 department on behalf of this state waives its right to first  
15 purchase the property, the local unit of government shall pay to  
16 this state 40% of the difference between the amount paid by the  
17 local unit of government for the conveyance under subsection (4) or  
18 (6)(e) and the amount received by the local unit of government from  
19 the sale of the property.

20           (9) The fair market value of the property described in  
21 subsection (1) shall be determined by an appraisal prepared for the  
22 department of technology, management, and budget by an independent  
23 appraiser.

24           (10) If requested by this state, the grantee shall reimburse  
25 this state for costs necessary to prepare the property for  
26 conveyance.

27           (11) The quitclaim deed authorized by this section shall be

1 approved as to legal form by the department of attorney general.

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

12 (13) The state administrative board shall include in a deed  
13 authorized under this section a provision that this state reserves  
14 all aboriginal antiquities including mounds, earthworks, forts,  
15 burial and village sites, mines, or other relics lying on, within,  
16 or under the property with power to this state and all others  
17 acting under its authority to enter the property for any purpose  
18 related to exploring, excavating, and taking away the aboriginal  
19 antiquities.

20 Sec. 2. The revenue received by this state from the conveyance  
21 of property under this act shall be deposited in the state treasury  
22 and credited to the general fund.