

HOUSE BILL No. 6192

May 19, 2010, Introduced by Reps. Lindberg, Nerat, McDowell and Lahti and referred to the Committee on Appropriations.

A bill to authorize the department of technology, management, and budget to convey certain state owned property in Schoolcraft county; to prescribe conditions for the conveyance; to provide for certain powers and duties of the department of technology, management, and budget in implementing the conveyance; and to provide for disposition of revenue derived from the conveyance.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 1. The department of technology, management, and budget,
2 on behalf of the state, may convey to Schoolcraft county, for
3 consideration of \$1.00, certain real property now under the
4 jurisdiction of the department of corrections and located in the
5 city of Manistique, Schoolcraft county, Michigan, and more
6 particularly described as:
7 A parcel of land being part of the NE 1/4 of the NE 1/4 of Section

1 12, T41N-R16W, and part of the NW 1/4 of the NW 1/4 of Section 7,
2 T41N-R15W, City of Manistique, Schoolcraft County, Michigan
3 described as:

4 Commencing at the Northwest corner of Section 7; thence
5 S00°22'09"W, 15.58 feet to the South Right-of-Way line of the
6 Wisconsin Central Railroad; thence S88° 22'52"E, 547.40 feet along
7 the South Railroad Right-of-Way line; thence S00° 22'09"W, 894.43
8 feet; thence N89°36'54"W, 547.27 feet to a found concrete monument
9 on the West line of Section 7; thence N89°05'11"W, 449.78 feet to a
10 found concrete monument; thence S02°29'48"W, 60.01 feet to a found
11 concrete monument; thence N89°03'52"W, 422.66 feet to the East
12 Right-of-Way line of Maple Avenue; thence N02°24'01"E, 104.30 feet
13 along the East Right-of-Way line of Maple Avenue to the North
14 Right-of-Way line of Pine Street; thence N78°15'15"W, 31.60 feet
15 along the North Right-of-Way line of Pine Street; thence
16 N03°17'44"E, 867.11 feet to the South Right-of-Way line of the
17 Wisconsin Central Railroad; thence S88°22'52"E, 857.85 feet along
18 the South Railroad Right-of-Way line to the Point of Beginning
19 containing 30.297 acres and subject to restrictions, reservations,
20 rights-of-way and easements of record.

21 Sec. 2. (1) The description of the parcel in section 1 is
22 approximate and for purposes of the conveyance is subject to
23 adjustment as the state administrative board or the attorney
24 general considers necessary by survey or other legal description.

25 (2) The property described in section 1 includes all surplus,
26 salvage, and scrap property or equipment remaining on the property
27 as of the date of conveyance.

1 Sec. 3. The conveyance authorized by section 1 shall provide
2 for all of the following:

3 (a) The property shall be used exclusively for public purposes
4 and if any fee, term, or condition for the use of the property is
5 imposed on members of the public, or if any of those fees, terms,
6 or conditions are waived for use of this property, resident and
7 nonresident members of the public shall be subject to the same
8 fees, terms, conditions, and waivers.

9 (b) In the event of activity inconsistent with subdivision
10 (a), the state may reenter and repossess the property, terminating
11 the grantee's estate in the property.

12 (c) If the grantee disputes the state's exercise of its right
13 of reentry and fails to promptly deliver possession of the property
14 to the state, the attorney general, on behalf of the state, may
15 bring an action to quiet title to, and regain possession of, the
16 property.

17 (d) If the state reenters and repossesses the property, the
18 state shall not be liable to reimburse any party for any
19 improvements made on the property.

20 Sec. 4. (1) If the property described in section 1 is not sold
21 to Schoolcraft county within 180 days after the effective date of
22 this act, the director of the department of technology, management,
23 and budget shall take the necessary steps to prepare to convey the
24 property described in section 1 using any of the following at any
25 time:

26 (a) Competitive bidding designed to realize the best value to
27 the state, as determined by the department of technology,

1 management, and budget.

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

5 (c) Use of real estate brokerage services designed to realize
6 the best value to the state, as determined by the department of
7 technology, management, and budget.

8 (d) A value for value conveyance negotiated by the department
9 of technology, management, and budget designed to realize the best
10 value to the state. In determining whether value for value
11 consideration for the property represents the best value, the
12 department may consider the fair market value or the total value
13 based on any positive economic impact to the state likely to be
14 generated by the proposed use of the property, especially economic
15 impact resulting in the creation of jobs or increased capital
16 investment in the state.

17 (e) Offering the property for sale for fair market value to a
18 local unit or units of government.

19 (f) Offering the property for sale for less than fair market
20 value to a local unit or units of government subject to subsection
21 (2).

22 (2) Any conveyance to a local unit of government authorized by
23 subsection (1)(f) shall provide for all of the following:

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

1 the public shall be subject to the same fees, terms, conditions,
2 and waivers.

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

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

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

14 (e) If the local unit of government intends to convey the
15 property within 3 years after the conveyance from the state, the
16 local unit of government shall provide notice to the department of
17 technology, management, and budget of its intent to offer the
18 property for sale. The department of technology, management, and
19 budget shall retain a right to first purchase the property at the
20 original sale price within 90 days after the notice. If the state
21 waives its first purchase right, the local unit of government shall
22 pay to the state 40% of the difference between the sale price of
23 the conveyance from the state and the sale price of the local
24 unit's subsequent sale or sales to a third party.

25 Sec. 5. (1) The conveyance authorized by this act shall be by
26 quitclaim deed designed or otherwise approved as to legal form by
27 the attorney general. The state shall not reserve oil, gas, or

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

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

14 Sec. 6. The net revenue received from the sale of property
15 under this act shall be deposited in the state treasury and
16 credited to the general fund. As used in this section, "net
17 revenue" means the proceeds from the sale of the property less
18 reimbursement for any costs to the state associated with the sale
19 of property, including, but not limited to, costs of reports and
20 studies and other materials necessary to the preparation of sale,
21 environmental remediation, legal fees, and any litigation related
22 to the conveyance of the property.