

SUBSTITUTE FOR
HOUSE BILL NO. 6030

A bill to authorize the state administrative board to convey certain parcels of state-owned property in Ingham 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 221 N.
5 Sycamore, and located in the City of Lansing, Ingham county,
6 Michigan, and further described as follows:
7 Lot 2, Block 90, Original Plat, City of Lansing, Ingham County,

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

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

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

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

19 (5) The director of the department of technology, management,
20 and budget shall first offer the property described in subsection
21 (1) for sale for \$1.00 to the local units of government in which
22 the property is located. To exercise its right to purchase the
23 property under this subsection, a local unit of government shall
24 enter into a purchase agreement within 60 days after the date of
25 the offer and shall complete the purchase within 120 days after the
26 date of the offer. Conveyance of any portion of the property for
27 \$1.00 is subject to subsections (7) and (8).

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

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

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

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

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

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

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

22 (7) Any conveyance for less than fair market value authorized
23 by subsection (5) or (6)(e) 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 the 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 is not liable to reimburse any party for any improvements
13 made on the property.

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

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

1 the state and the sale price of the local unit's subsequent sale or
2 sales to a third party.

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

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

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

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

1 legal fees; and costs of any litigation related to the conveyance
2 of the property.

3 Sec. 2. (1) The state administrative board, on behalf of the
4 state, may convey by quitclaim deed all or portions of certain
5 state-owned property now under the jurisdiction of the department
6 of human services, commonly known as the Medbury parking lot, and
7 located in the city of Hamtramck, Wayne county, Michigan, and
8 further described as follows:

9 WARD 15

10 CAP 0086 BELT LINE SUB OF THE N'LY PART OF PC 573 KNOWN AS L.
11 CHAPOTON FARM & THE NW'LY PART OF PC 678, HAMTRAMCK, WAYNE CO.
12 L 00012P82

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

14 Lot 58 & E 9 ft vac alley Item 10286

15 Lot 57 & E 9 ft vac alley Item 10287

16 Lot 56 & E 9 ft vac alley Item 10288

17 Lot 55 & E 9 ft vac alley Item 10289

18 Lot 54 & E 9 ft vac alley Item 10290

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

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

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

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

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

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

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

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

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

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

22 (f) Conveying the property to the land bank fast track
23 authority established under the land bank fast track act, 2003 PA
24 258, MCL 124.751 to 124.774.

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

27 (a) The property shall be used exclusively for public purposes

1 and if any fee, term, or condition for the use of the property is
2 imposed on members of the public, or if any of those fees, terms,
3 or conditions are waived for use of the property, all members of
4 the public shall be subject to the same fees, terms, conditions,
5 and waivers.

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

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

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

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

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

1 the property. If the state waives its first refusal right, the
2 local unit of government shall pay to the state 40% of the
3 difference between the sale price of the conveyance from the state
4 and the sale price of the local unit's subsequent sale or sales to
5 a third party.

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

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

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

22 (11) The net revenue received by the state from the sale of
23 property under this section shall be deposited in the state
24 treasury and credited to the general fund. As used in this
25 subsection, "net revenue" means the proceeds from the sale of the
26 property less reimbursement for any costs to the state associated
27 with the sale of property, including, but not limited to,

1 administrative costs, including employee wages, salaries, and
2 benefits; costs of reports and studies and other materials
3 necessary to prepare for the sale; environmental remediation costs;
4 legal fees; and costs of any litigation related to the conveyance
5 of the property.