

**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2012**

Introduced by Rep. Wayne Schmidt

ENROLLED HOUSE BILL No. 6029

AN ACT to authorize the state administrative board to convey certain state-owned property in Grand Traverse, Otsego, and Alger counties and to accept and convey certain other property in Grand Traverse county; to prescribe conditions for the acceptance and the conveyances; to provide for certain powers and duties of certain state departments in regard to the properties; to provide for disposition of revenue derived from the conveyances; and to authorize the state administrative board to transfer certain state-owned property in Jackson county from the state transportation department to the department of corrections.

The People of the State of Michigan enact:

Sec. 1. (1) The state administrative board, on behalf of the state, may convey by quitclaim deed all or portions of certain state-owned property now under the jurisdiction of the department of technology, management, and budget, commonly known as the former Chesapeake and Ohio Railroad right of way, located in the city of Traverse City, Grand Traverse county, Michigan, and further described as the North 25 feet of Lots 8 through 21, Block 12, Hannah's Fifth Addition to Traverse City. The above described parcel is subject to any easements and/or rights of record as may pertain to this parcel.

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

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

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

(5) The director of the department of technology, management, and budget shall first offer the property described in subsection (1) to Traverse City area public schools, which shall have the first right to purchase the property, for consideration of \$1.00, for a period of 180 days after the effective date of this act. Conveyance of any portion of the property for \$1.00 is subject to subsections (7) and (8).

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

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

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

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

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

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

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

(7) Any conveyance authorized by subsection (5) or (6)(e) shall provide for all of the following:

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

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

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

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

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

(8) For property conveyed pursuant to subsection (5) or (6)(e), if the grantee intends to convey the property within 10 years after the conveyance from the state, the grantee shall provide notice to the department of technology, management, and budget of its intent to offer the property for sale. The department of technology, management, and budget shall retain a right to first purchase the property at the original sale price within 90 days after the notice. If the state repurchases the property, the state is not liable for any improvements to, or liens placed on, the property. If the state waives its first refusal right, the grantee under subsection (5) or (6)(e) shall pay to the state 40% of the difference between the sale price of the conveyance from the state and the sale price of the grantee's subsequent sale or sales to a third party.

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

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

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

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

Sec. 2. (1) The state administrative board, on behalf of the state, subject to and contingent upon the conveyance of the property to the township of Garfield, Grand Traverse county, as provided in subsection (3), may accept from the township of Garfield, for consideration of \$1.00, certain real property that was conveyed to the township of Garfield in the quitclaim deed recorded in liber 984, page 304, Grand Traverse county records, and is located in the township of Garfield, Grand Traverse county, Michigan, and further described as follows:

PART OF THE NORTHWEST 1/4 OF SECTION 9, T27N, R11W, DESCRIBED AS COMMENCING AT THE WEST 1/4 CORNER OF SAID SECTION 9; THENCE N00°52'22"E, 962.58 FEET ALONG THE WEST LINE OF SAID SECTION 9; THENCE N89°57'22"E, 1614.17 FEET; THENCE S36°46'34"E, 864.75 FEET TO THE POINT OF BEGINNING; THENCE S36°46'34"E, 228.74 FEET; THENCE S01°05'58"W, 16.51 FEET; THENCE N88°54'23"W, 210.47 FEET; THENCE N01°05'58"E, 197.04 FEET; THENCE S88°56'10"E, 70.04 FEET TO POINT OF BEGINNING. SAID PARCEL CONTAINS 0.66 ACRES OF LAND SUBJECT TO EASEMENTS OR RESTRICTIONS, IF ANY.

(2) The description of the parcel in subsection (1) is approximate and for purposes of the conveyances is subject to adjustment as the state administrative board or attorney general considers necessary by survey or other legal description.

(3) The state administrative board, on behalf of the state, after receiving the conveyance authorized in subsection (1), shall convey to Garfield township, for consideration of \$1.00, the real property described in subsection (1).

(4) The conveyance authorized by subsection (3) shall provide for all of the following:

(a) Unless the property is conveyed for fair market value after the conveyance described in subsection (3), the property shall be used exclusively for public purposes.

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

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

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

(e) If the property is sold by Garfield township, or another local unit of government that is a successor in interest, for fair market value, upon the first such sale of the property, the local unit of government selling the property shall pay to the state 40% of the sales price of the property.

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

(6) The state shall reserve all aboriginal antiquities including mounds, earthworks, forts, burial and village sites, mines, and other relics, on, within, or under the property conveyed under this section, with power to the state, and all others acting under its authority, to enter the property for any purpose related to exploring, excavating, and taking away aboriginal antiquities.

(7) The conveyance under subsection (3) shall be by quitclaim deed or other instrument approved by the attorney general.

(8) Revenue to the state from the sale of property under this section shall be deposited in the state treasury and credited to the general fund.

Sec. 3. (1) The state administrative board, on behalf of the state, may convey by quitclaim deed all or portions of certain state-owned property now under the jurisdiction of the department of community health, commonly known as Pinehaven buildings 31 and 32, and located at 102 McLouth road on part of the SW ¼ of section 27, T31N, R3W, Livingston township, Otsego county, Michigan, and more particularly described as follows:

Commencing at the southwest corner of said section 27, thence S89°22'16"E, 400.00' along the south line of said section 27, to the point of beginning; thence N00°37'44"E. 350.00'; thence S89°22'16"E 450.16'; thence S00°37'44"W 350.00' to the south line of said section 27; thence N89°22'16"W 450.16' along said south line to the point of beginning, containing 3.62 acres and subject to easements of record.

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

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

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

(5) The director of the department of technology, management, and budget shall first offer the property described in subsection (1) to the north country community mental health authority, a governmental entity, which shall have the first right to purchase the property, for consideration of \$1.00, for a period of 180 days after the effective date of this act. Conveyance of any portion of the property for \$1.00 is subject to subsections (7) and (8).

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

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

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

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

(d) Offering the property for sale for less than fair market value to a local unit or units of government, or to a governmental corporation, subject to subsections (7) and (8).

(7) Any conveyance for less than fair market value authorized by subsection (5) or (6)(d) shall provide for all of the following:

(a) The property shall be used exclusively for the public purposes of providing inpatient residential community health services and related community mental health services to persons requiring them due to mental illness, aging, substance abuse, developmental disability, or other mental disability for a period of at least 50 years after the date of the conveyance.

(b) If any fee, term, or condition for the use of the property is imposed on members of the public, or if any of those fees, terms, or conditions are waived for use of the property, all members of the public shall be subject to the same fees, terms, conditions, and waivers.

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

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

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

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

(8) For property conveyed pursuant to subsection (5) or (6)(d), if the grantee intends to convey the property within 50 years after the conveyance from the state, the grantee shall provide notice to the department of technology, management, and budget of its intent to offer the property for sale. The department of technology, management, and budget shall retain a right to first purchase the property at the original sale price within 90 days after the notice. If the state repurchases the property, the state is not liable to any party for improvements to, or liens placed on, the property. If the state waives its first refusal right, the grantee under subsection (5) or (6)(d) shall pay to the state 40% of the difference between the sale price of the conveyance from the state and the sale price of the grantee's subsequent sale or sales to a third party.

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

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

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

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

Sec. 4. (1) The state administrative board may transfer from the state transportation department to the department of corrections, without consideration, a parcel of land in the townships of Blackman and Leoni, Jackson county, Michigan, more specifically described as follows:

All that part of the Michigan department of transportation railroad, formerly Grand Trunk Western, right of way, 100 feet wide, more or less, further described as: beginning at a point on the centerline of said railroad which is at the southwesterly end of the bridge over the Portage river in the southeast corner of the southwest quarter of section 5, town 2 south, range 1 east, Leoni township, Jackson county, Michigan, thence southwesterly, following along the centerline of said railroad, 3.98 miles, more or less, passing through Sections 5, 8, 7 and 18 of said township, Sections 13, 14, 23, town 2 south, range 1 west, Blackman township, Jackson county, Michigan, to the point of ending on the westerly right of way line of the highway M-106. Contains 46.50 acres, more or less.

(2) The property description in subsection (1) is approximate and subject to possible adjustment by a professional survey conducted by the department of technology, management, and budget.

(3) The transfer authorized by this section is permanent and effective when approved by the state administrative board. The department of corrections shall then assume full responsibility for the property.

(4) All documents regarding the transfer of the property described in subsection (1) shall be approved as to legal form by the department of attorney general.

(5) The department of technology, management, and budget shall coordinate and implement the transfer, but any survey costs or transaction closing costs incurred by the department of technology, management, and budget in doing so shall be reimbursed by the department of corrections.

Sec. 5. (1) The state administrative board, on behalf of the state, may convey by quitclaim deed all or portions of certain state-owned property commonly known as 414 East Munising Avenue and the former Michigan state police post, located in the city of Munising, Alger county, Michigan, and further described as follows:

SEC 2 T46N R19W .91 A BEG S 61 DEG 15'E 300' FM MONU AT INT OF N LN OF SUP ST WITH E LN OF CEDAR ST OF ORIG PLAT, S61DEG15'E 200', TH N24DEG E 179' TO SLY R/W LN OF OLD M94, TH N50 DEG24'W 207' ALG R/W, S24DEGW 218.3' TO POB. The above described parcel is subject to any easements and/or rights of record as may pertain to this parcel.

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

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

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

(5) The director of the department of technology, management, and budget shall first offer the property described in subsection (1) to the city of Munising, which shall have the first right to purchase the property, for consideration of \$1.00, for a period of 180 days after the effective date of this act. Conveyance of any portion of the property for \$1.00 is subject to subsections (7) and (8).

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

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

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

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

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

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

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

(7) Any conveyance authorized by subsection (5) or (6)(e) shall provide for all of the following:

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

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

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

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

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

(8) For property conveyed pursuant to subsection (5) or (6)(e), if the grantee intends to convey the property within 10 years after the conveyance from the state, the grantee shall provide notice to the department of technology, management, and budget of its intent to offer the property for sale. The department of technology, management, and budget shall retain a right to first purchase the property at the original sale price within 90 days after the notice. If the

state repurchases the property, the state is not liable for any improvements to, or liens placed on, the property. If the state waives its first refusal right, the grantee under subsection (5) or (6)(e) shall pay to the state 40% of the difference between the sale price of the conveyance from the state and the sale price of the grantee's subsequent sale or sales to a third party.

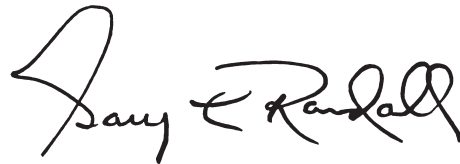
(9) The department of attorney general shall approve as to legal form the quitclaim deed authorized by this section.

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

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

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor