

Act No. 435
Public Acts of 2012
Approved by the Governor
December 20, 2012
Filed with the Secretary of State
December 21, 2012
EFFECTIVE DATE: December 21, 2012

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

Introduced by Rep. Bauer

ENROLLED HOUSE BILL No. 6030

AN ACT 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:

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 221 N. Sycamore, and located in the City of Lansing, Ingham county, Michigan, and further described as follows:

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

(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) for sale for \$1.00 to the local units of government in which the property is located. To exercise its right to purchase the property under this subsection, a local unit of government shall enter into a purchase agreement within 60 days after the date of the offer and shall complete the purchase within 120 days after the date of the offer. Conveyance of any portion of the property for \$1.00 is subject to subsections (7) and (8).

(6) If 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 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 for less than fair market value 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 local unit of government intends to convey the property within 10 years after the conveyance from the state, the local unit 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 local unit of government 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 local unit'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, may convey by quitclaim deed all or portions of certain state-owned property now under the jurisdiction of the department of human services, commonly known as the Medbury parking lot, and located in the city of Hamtramck, Wayne county, Michigan, and further described as follows:

WARD 15

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

L 00012P82

Lot 32 & Lot 31 & W 9 ft vac alley	Item 10947
Lot 58 & E 9 ft vac alley	Item 10286
Lot 57 & E 9 ft vac alley	Item 10287
Lot 56 & E 9 ft vac alley	Item 10288
Lot 55 & E 9 ft vac alley	Item 10289
Lot 54 & E 9 ft vac alley	Item 10290

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

(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 department of technology, management, and budget shall take the necessary steps to prepare to convey 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 (6) and (7).

(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.

(6) Any conveyance for less than fair market value authorized by subsection (5)(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.

(7) For property conveyed pursuant to subsection (5)(e), if the local unit of government intends to convey the property within 10 years after the conveyance from the state, the local unit 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 local unit of government 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 local unit's subsequent sale or sales to a third party.

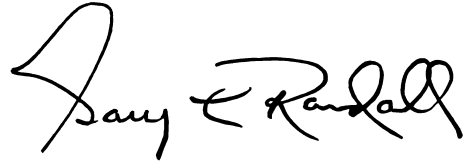
(8) The department of attorney general shall approve as to legal form the quitclaim deed authorized by this section.

(9) 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.

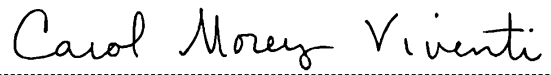
(10) The state reserves all aboriginal antiquities including mounds, earthworks, forts, burial and village sites, mines, or other relics lying on, within, or under the property with power to the state and all others acting under its authority to enter the property for any purpose related to exploring,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

(11) 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