

**SUBSTITUTE FOR
HOUSE BILL NO. 4080**

A bill to authorize the state administrative board to convey certain parcels of state-owned property in Chippewa county; to prescribe conditions for the conveyance; and to provide for certain powers and duties of certain state departments in regard to the property.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The state administrative board, on behalf of this
2 state, may convey by quitclaim deed to the township of Kinross or
3 the county of Chippewa all or portions of certain state-owned
4 property under the jurisdiction of the department of corrections,
5 located in the township of Kinross, Chippewa county, Michigan, and
6 further described as follows:

7 Parcel A

8 Part of Lot 4, of "Chippewa County Industrial Air Park Plat"; Part
9 of Sections 31 & 32, T45N, R1W, Kinross Township, Chippewa County,

1 Michigan, more particularly described as, commencing at the
2 Northeast corner of Section 31; thence along the north line of said
3 Section, N 89° 59' 39" W 1075.01 feet; thence S 00° 16' 05" E 33.00
4 feet to the South Right-of-Way of Tone Road and the Point of
5 Beginning; thence along said Right-of-Way S 89° 59' 39" E 470.94
6 feet; thence S 05° 39' 59" E 240.61 feet; thence S 89° 43' 17" W
7 493.57 feet, thence N 00° 16' 05" W 241.88 feet to the South Right-
8 of-Way of Tone Road and the Point of Beginning containing 2.68
9 acres more or less and excepting all easements and restrictions of
10 record, if any.

11 Parcel B

12 Part of Lot 4, of "Chippewa County Industrial Air Park Plat"; Part
13 of Sections 31 & 32, T45N, R1W, Kinross Township, Chippewa County,
14 Michigan, more particularly described as, commencing at the
15 Northeast corner of Section 31; thence along the north line of said
16 Section, N 89° 59' 39" W 1075.01 feet; thence S 00° 16' 05" E 33.00
17 feet to the South Right-of-Way of Tone Road and the Point of
18 Beginning; thence continuing S 00° 16' 05" E 241.88 feet; thence S
19 89° 43' 17" W 57.32 feet; thence N 05° 35' 43" W 243.33 feet to the
20 South Right-of-Way of Tone Road; thence along said Right-of-Way S
21 89° 59' 39" E 79.92 feet to the Point of Beginning containing 0.38
22 acres more or less and excepting all easements and restrictions of
23 record, if any.

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

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

4 (4) The director of the department of technology, management,
5 and budget shall first offer the property for sale for \$1.00 to the
6 township of Kinross. If all of the property is not sold to the
7 township of Kinross as provided in subsection (5), the director of
8 the department shall offer the remaining property for sale for
9 \$1.00 to the county of Chippewa.

10 (5) To purchase the property under subsection (4), a local
11 unit of government shall enter into a purchase agreement within 60
12 days after the date of the offer to that local unit of government
13 and complete the purchase within 120 days after the date of the
14 offer. Conveyance of any portion of the property under subsection
15 (4) is subject to the conditions prescribed in subsections (7) and
16 (8).

17 (6) If the property described in subsection (1) or any portion
18 thereof is not conveyed pursuant to subsection (4), the department
19 shall take the necessary steps to prepare to convey the remaining
20 property using any of the following at any time:

21 (a) Competitive bidding designed to realize the best value to
22 this state, as determined by the department.

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

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

27 (d) Offering the property for sale for fair market value to a

1 local unit or units of government.

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

5 (7) A conveyance authorized by subsection (4) or (6)(e) shall
6 provide for all of the following:

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

13 (b) If a provision of the conveyance described in subdivision
14 (a) is violated, this state may reenter and repossess the property,
15 terminating the grantee's or successor's estate in the property.

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

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

24 (8) If the property is conveyed pursuant to subsection (4) or
25 (6)(e) and if the local unit of government intends to convey the
26 property within 10 years after the conveyance under subsection (4)
27 or (6)(e), the local unit shall provide notice to the department of

1 its intent to offer the property for sale. The department shall
2 retain a right to first purchase the property at the original sale
3 price within 90 days after the notice is received. If this state
4 repurchases the property, this state is not liable to any party for
5 improvements to, or liens placed on, the property. If this state
6 waives its right to first purchase the property, the local unit of
7 government shall pay to this state 40% of the difference between
8 the sale price of the conveyance from this state under subsection
9 (4) or (6)(e) and the sale price of the local unit's subsequent
10 sale or sales to a third party.

11 (9) The fair market value of the property described in
12 subsection (1) shall be determined by an appraisal prepared for the
13 department by an independent appraiser.

14 (10) If requested by this state, the grantee shall reimburse
15 this state for costs necessary to prepare the property for
16 conveyance.

17 (11) The quitclaim deed authorized by this section shall be
18 approved as to legal form by the department of attorney general.

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

27 (13) This state reserves all aboriginal antiquities including

1 mounds, earthworks, forts, burial and village sites, mines, or
2 other relics lying on, within, or under the property with power to
3 this state and all others acting under its authority to enter the
4 property for any purpose related to exploring, excavating, and
5 taking away the aboriginal antiquities.