

**SUBSTITUTE FOR
SENATE BILL NO. 685**

A bill to authorize the state administrative board to convey a parcel of state-owned property in Kent County; to prescribe conditions for the conveyance; to provide for powers and duties of state departments in regard to the property; and to provide for disposition of revenue derived from the conveyance.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. Before 2 years after the effective date of this act,
2 the state administrative board, on behalf of this state, may convey
3 to Kent County, for not less than fair market value as determined
4 under section 3, or for less than fair market value subject to the
5 restrictions under section 5, all or any portion of property now
6 under the jurisdiction of the department of state police and
7 located in the township of Grand Rapids in Kent County, described



1 as:

2 All that part of the West 1/2 of the Southeast 1/4, Section
3 20, Town 7 North, Range 11 West, Grand Rapids Township, now City of
4 Grand Rapids, Kent County, Michigan, more particularly described
5 as: Commencing South 1° 30' West 1030.85 feet and South 87° 55'
6 East 40.0 feet from the center of said Section 20, thence North 1°
7 30' East along the East line of Fuller Avenue 175.0 feet; thence
8 North 54° 05' East 305.0 feet; thence South 87° 09' East 240.0
9 feet; thence South 1° 7' West 360.0 feet; thence North 87° 55' West
10 485.0 feet to the Point of Beginning, containing 3.49 acres of
11 land, more or less.

12 Sec. 2. The description of the property in section 1 is
13 approximate and for purposes of the conveyance is subject to
14 adjustments as the state administrative board or the attorney
15 general considers necessary by survey or other legal description.

16 Sec. 3. The fair market value of the property described in
17 this act must be determined by an appraisal based on the property's
18 highest and best use, as prepared by an independent fee appraiser.

19 Sec. 4. If Kent County fails to purchase the property
20 described in section 1 within 2 years after the effective date of
21 this act, the department of technology, management, and budget may
22 take the necessary steps to convey the property to another
23 purchaser using any of the following methods:

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

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



1 (c) Use of real estate brokerage services designed to realize
 2 the best value to this state, as determined by the department of
 3 technology, management, and budget.

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

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

15 (f) Offering the property for sale for less than fair market
 16 value to a local unit or units of government subject to the terms
 17 set forth in section 5.

18 (g) Transferring jurisdiction of the property to the state
 19 land bank authority created under section 15 of the land bank fast
 20 track act, 2003 PA 258, MCL 124.765, and renamed under Executive
 21 Reorganization Order No. 2019-3, MCL 125.1998. If the property is
 22 transferred under this subdivision, the state land bank authority
 23 is responsible after the transfer for the proper care, maintenance,
 24 and security of the property.

25 Sec. 5. Any conveyance of the property described in this act
 26 for less than fair market value must provide for all of the
 27 following:

28 (a) The property must be used exclusively for public purposes
 29 and if any fee, term, or condition for the use of the property is



1 imposed on members of the public, or if any of those fees, terms,
2 or conditions are waived for use of the property, all members of
3 the public must be subject to the same fees, terms, conditions, and
4 waivers. On termination of the property's exclusive use for public
5 purposes, this state may reenter and repossess the property,
6 terminating the grantee's estate in the property.

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

12 (c) If this state reenters and repossesses the property, the
13 state is not liable to reimburse any party for any improvements
14 made on the property.

15 (d) The local unit of government shall reimburse this state
16 for requested costs necessary to prepare the property for
17 conveyance.

18 (e) If the local unit of government intends to convey the
19 property within 30 years after the conveyance from this state, the
20 local unit shall provide notice to the department of technology,
21 management, and budget of its intent to offer the property for
22 sale. The department of technology, management, and budget shall
23 retain a right to first purchase of the property at the original
24 sale price within 180 days after the notice. If this state waives
25 its first refusal right, the local unit of government shall pay to
26 this state 100% of the difference between the sale price of the
27 conveyance from this state and the sale price of the local unit's
28 subsequent sale to a third party.

29 Sec. 6. A conveyance or jurisdictional transfer of the



1 property described in this act must include all surplus, salvage,
2 and scrap property or equipment remaining on the property on the
3 date of the conveyance or jurisdictional transfer.

4 Sec. 7. Any conveyance authorized by this act must be by
5 quitclaim deed, or in the case of transfer to the state land bank
6 authority, by affidavit of jurisdictional transfer as approved by
7 the department of attorney general.

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

16 Sec. 9. This state reserves all aboriginal antiquities
17 including mounds, earthworks, forts, burial and village sites,
18 mines, or other relics lying on, within, or under the property with
19 power to this state and all others acting under its authority to
20 enter the property for any purpose related to exploring,
21 excavating, and taking away the aboriginal antiquities.

22 Sec. 10. The net revenue received from the sale of property
23 under this act must be deposited in the state treasury and credited
24 to the general fund. As used in this section, "net revenue" means
25 the proceeds from the sale of the property less reimbursement for
26 any costs associated with the sale of the property, including, but
27 not limited to, administrative costs, including employee wages,
28 salaries, and benefits; costs of reports and studies and other
29 materials necessary to the preparation of sale; environmental



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