

# HOUSE BILL NO. 4011

January 14, 2025, Introduced by Reps. Hoadley, McFall, Roth, BeGole, Kelly, Borton, Rigas, Greene, Johnsen, St. Germaine, Rheingans, Mentzer and DeBoyer and referred to Committee on Appropriations.

A bill to authorize the department of technology, management, and budget to convey or transfer state-owned property in Arenac County; to prescribe conditions for the conveyance or transfer; to provide for powers and duties of state departments, agencies, and officers 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. As used in this act:

2           (a) "Fair market value" means the highest estimated price that  
3 the property will bring if offered for sale on the open market,

1 allowing a reasonable time to find a purchaser who would buy with  
2 knowledge of the property's possible uses.

3 (b) "Net revenue" means the proceeds from the sale of the  
4 property less reimbursement for any costs to the department of  
5 technology, management, and budget associated with the sale,  
6 including, but not limited to, administrative costs, including  
7 employee wages, salaries, and benefits; costs of reports and  
8 studies and other materials necessary to the preparation of sale;  
9 environmental remediation; legal fees; and any litigation costs  
10 related to the conveyance.

11 (c) "Public use" means, subject to subdivision (d), actual use  
12 of the property by members of the public or actual use by the unit  
13 of local government for any of the following:

- 14 (i) General government administration.
- 15 (ii) Publicly owned and operated correctional facilities.
- 16 (iii) Law enforcement purposes.
- 17 (iv) Emergency management response purposes.
- 18 (v) Public educational use.
- 19 (vi) Public transportation.
- 20 (vii) Public parks and recreational areas.
- 21 (viii) Public health uses.
- 22 (ix) Wildlife conservation or restoration.

23 (d) Public use does not include use by a for-profit enterprise  
24 or any use that is closed to the public.

25 (e) "Unit of local government" means a township, village,  
26 city, county, school district, intermediate school district,  
27 community college district, or special purpose public authority  
28 created by 1 or more units of local government to serve the public  
29 interest under another act.

1           Sec. 2. (1) The department of technology, management, and  
2 budget, on behalf of this state, may convey by quitclaim deed or  
3 transfer by affidavit of jurisdictional transfer all or portions of  
4 real property described in subsection (2) that is owned by this  
5 state and under the jurisdiction of the department of corrections.

6           (2) The real property that may be conveyed under this act is  
7 described as follows:

8           Parcel A

9           The SE 1/4 of the NE 1/4, Section 9, T18N, R4E, also described  
10 as:

11           A parcel of land in the NE 1/4 of Section 9, T18N, R4E, (now  
12 City of Standish) Arenac County, Michigan, and being more  
13 specifically described as beginning at the E 1/4 corner of said  
14 Section 9; th N86°56'10"W 1318.06 ft, on the E-W 1/4 line of said  
15 Section 9 to the west line of the E 1/2 of the NE 1/4 of said  
16 Section 9; th N02°26'24"E 1319.38 ft, on said west line to the  
17 north line of said SE 1/4 of the NE 1/4 of said Section 9; th  
18 S86°41'24"E 1322.10 ft, on said north line to the east line of said  
19 Section 9; th S02°36'47"W 1313.66 ft; on said east line to the  
20 point of beginning. The above described parcel contains 39.89  
21 acres, more or less. All bearings are relative and references to  
22 Standish Industrial Air Park No. 2.

23           PARCEL B

24           The W 1/2 of the NE 1/4, Section 9, T18N, R4E, EXCEPT  
25 commencing at the SW corner of the SW 1/4 of the NE 1/4 of said  
26 Section 9, th E 366 ft; th N 258 ft; th W 366 ft; th S 258 ft to  
27 the Point of Beginning. Also described as:

28           A parcel of land in the NE 1/4 of Section 9, T18N, R4E, (now  
29 City of Standish) Arenac County, Michigan, and being more

1 specifically described as beginning at the N 1/4 corner of said  
2 Section 9; th S86°26'44"E 1326.18 ft, on the North line of said  
3 Section 9 to the east line of the W 1/2 of the NE 1/4 of said  
4 Section 9; th S02°26'24"W 2638.75 ft, on said east line to the E-W  
5 1/4 line of said Section 9; th N86°56'10"W 952.07 ft, on the E-W  
6 1/4 of said Section 9; th N02°16'06"E 258.00 ft; th N86°56'10"W  
7 366.00 ft, to the N-S 1/4 line of said Section 9; th N02°16'06"E  
8 2392.20 ft, on said N-S 1/4 line to the point of beginning. The  
9 above described parcel contains 78.08 acres, more or less. All  
10 bearings are relative and references to Standish Industrial Air  
11 Park No. 2.

12 (3) The description of the property in subsection (2) is  
13 approximate and, for purposes of a conveyance or transfer under  
14 this act, may be adjusted as the department of technology,  
15 management, and budget or the department of attorney general  
16 considers necessary because of a survey or another legal  
17 description.

18 (4) The department of technology, management, and budget shall  
19 not convey or transfer property under this act unless the  
20 conveyance or transfer and the terms of the conveyance or transfer  
21 have been approved by the state administrative board.

22 Sec. 3. (1) The department of technology, management, and  
23 budget may take the necessary steps to convey or transfer real  
24 property described in section 2 using any of the following means:

25 (a) Any publicly disclosed competitive method of sale,  
26 selected to realize the fair market value to this state, as  
27 determined by the department of technology, management, and budget.

28 (b) Offering the property for sale for fair market value to 1  
29 or more units of local government in which the property is located.

1 (c) Transferring the property to the land bank fast track  
2 authority created under section 15 of the land bank fast track act,  
3 2003 PA 258, MCL 124.765.

4 (d) Transferring the property, with or without consideration,  
5 through jurisdictional transfer to another state agency. If  
6 property is transferred under this subdivision, the transfer must  
7 be made by an affidavit of jurisdictional transfer in recordable  
8 form rather than a quitclaim deed.

9 (e) Exchanging some or all of the property for other real  
10 property if the other real property is determined by the department  
11 of technology, management, and budget to be of reasonably equal  
12 value to this state.

13 (f) Offering the property for sale for less than fair market  
14 value to 1 or more of the units of local government in which the  
15 property is located, subject to the following conditions:

16 (i) The department may provide simultaneous electronic notice  
17 to each unit of local government of the property's availability.  
18 After giving any notice under this subparagraph, the department  
19 shall give the first opportunity to purchase the property to the  
20 first unit of local government to make an offer by registered mail  
21 to purchase the property.

22 (ii) If a unit of local government makes an offer to purchase  
23 the property that is accepted by the department of technology,  
24 management, and budget, the unit of local government shall enter  
25 into a purchase agreement within 60 days after making the offer and  
26 complete the conveyance within 180 days after making the offer. The  
27 department of technology, management, and budget may extend the  
28 time to complete the conveyance as needed.

29 (iii) The property must be used exclusively for public use. If a

1 fee, term, or condition is imposed on members of the public for use  
2 of the property, or if such a fee, term, or condition is waived,  
3 all members of the public must be subject to the same fees, terms,  
4 conditions, and waivers. The public use restriction must be  
5 included in the deed.

6 (iv) If the unit of local government intends to convey the  
7 property, the unit of local government must first offer the  
8 property for sale, in writing, to this state, which may purchase  
9 the property at the original sale price. The unit of local  
10 government shall provide this state 120 days to consider  
11 reacquiring the property. If this state agrees to reacquire the  
12 property, this state is not liable to any person for improvements  
13 to or liens placed on the property. If this state declines to  
14 reacquire the property, the public use restrictions described in  
15 subparagraph (ii) remain in effect.

16 (v) The department of technology, management, and budget may  
17 require the unit of local government to reimburse this state at  
18 closing for costs demonstrably incurred by this state that were  
19 necessary to prepare the property for conveyance.

20 (2) If real property is to be sold for fair market value under  
21 this section, the fair market value must be determined by an  
22 independent fee appraisal prepared for the department of  
23 technology, management, and budget, or by a professional licensed  
24 appraiser who is an employee or contractor of this state.

25 Sec. 4. (1) A deed or affidavit of jurisdictional transfer  
26 authorized by this act must be approved as to legal form by the  
27 department of attorney general.

28 (2) Real property conveyed under this act includes all  
29 surplus, salvage, and personal property or equipment remaining on

1 the property on the date of the conveyance.

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

10 (4) A conveyance under this act must reserve to this state all  
11 aboriginal antiquities, including mounds, earthworks, forts, burial  
12 and village sites, mines, or other relics lying on, within, or  
13 under the property, with power to this state and all others acting  
14 under its authority to enter the property for any purpose related  
15 to exploring, excavating, and taking away the aboriginal  
16 antiquities.

17 (5) If property conveyed under this act was used by this state  
18 as a historical monument, memorial, burial ground, park, or  
19 protected wildlife habitat area, the grantee or any successor shall  
20 maintain and protect the property for that purpose in perpetuity in  
21 accordance with applicable law.

22 (6) If property conveyed under this act is used in a manner  
23 that violates any of the restrictions imposed under section 3 or  
24 this section, this state may reenter and take the property,  
25 terminating the grantee's or any successor's estate in the  
26 property. An action to regain possession of the property may be  
27 brought and maintained by the attorney general on behalf of this  
28 state.

29 (7) If this state reenters and repossesses property under

1 subsection (6), this state is not liable to reimburse any person  
2 for any improvements made on the property or to compensate any  
3 person for any part of an unfulfilled contract or license issued to  
4 provide goods or services on or for the property.

5       Sec. 5. (1) The department of corrections is responsible for  
6 all expenses of maintaining and securing the property to be  
7 conveyed or transferred under this act until the time of  
8 conveyance.

9       (2) The department of technology, management, and budget may  
10 require a grantee of property conveyed under this act or recipient  
11 under an affidavit of jurisdictional transfer to record the  
12 instrument of conveyance or transfer with the appropriate register  
13 of deeds and provide the department of technology, management, and  
14 budget with a recorded copy of the recorded instrument.

15       (3) The department of technology, management, and budget shall  
16 deposit the net revenue received from the sale of property under  
17 this section in the state treasury. The state treasurer shall  
18 credit the money deposited to the general fund.