

HOUSE BILL NO. 4135

February 26, 2025, Introduced by Rep. Lightner and referred to Committee on Appropriations.

A bill to authorize the state administrative board to convey state-owned property in Jackson County; to prescribe conditions for the conveyance; to provide for powers and duties of state departments, agencies, and officers regarding 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,
- 4 allowing a reasonable time to find a purchaser who would buy with

1 knowledge of the property's possible uses.

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

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

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

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

24 (e) "Unit of local government" means a township, village,
25 city, county, school district, intermediate school district, or
26 community college district.

27 Sec. 2. (1) The state administrative board, on behalf of this
28 state, may convey by quitclaim deed in accordance with this act all
29 or portions of real property described in subsection (2) that is

1 owned by this state, that is under the jurisdiction of the
2 department of corrections, and that was formerly the site of the
3 Dalton Road Landfill in Jackson County.

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

6 A part of the Southeast 1/4 of Section 18, Town 2 South, Range
7 1 East, Leoni Township, Jackson County, Michigan, being more
8 particularly described as:

9 Beginning at the Center Post of said Section 18; thence
10 N89°36'20"E 1330.51 feet along the east-west 1/4 line of said
11 Section 18 to the west line of the Northeast 1/4 of the Southeast
12 1/4 of said Section 18; thence along said west line, S00°21'15"E
13 1328.08 feet to the Southwest corner of the Northeast 1/4 of the
14 Southeast 1/4 of said Section 18; thence along the south line of
15 said Northeast 1/4 of the Southeast 1/4, N89°34'50"E 1329.39 feet
16 to a point on the east line of said Section 18; thence S00°18'20"E
17 663.76 feet along the east line of said Section 18 to the north
18 line of the South 1/2 of the Southeast 1/4 of the Southeast 1/4 of
19 said Section 18; thence along said north line and it's extension,
20 S89°34'10"W 2657.65 feet to the North-South 1/4 line of said
21 Section 18; thence N00°24'10"W 1992.93 feet along the North-South
22 1/4 line of said Section 18 to the Center of section of said
23 Section 18 and the Point of Beginning. Containing 81.078 acres of
24 land, more or less.

25 (3) The description of the property in subsection (2) is
26 approximate and, for purposes of a conveyance under this act, may
27 be adjusted as the state administrative board or the department of
28 attorney general considers necessary because of a survey or another
29 legal description.

1 Sec. 3. The director of the department of technology,
2 management, and budget shall first offer the property described in
3 section 2 to Jackson County, which will have the first right to
4 purchase the property for 2 years after the effective date of this
5 act. Jackson County may acquire the property for \$1.00 or, if
6 approved by the director of the department of technology,
7 management, and budget, any portion of the property for \$1.00.
8 Conveyance of the property or any portion of the property for \$1.00
9 is subject to the conditions prescribed in section 5.

10 Sec. 4. (1) Except as provided in section 3, the department of
11 technology, management, and budget may take the necessary steps for
12 the conveyance of the real property described in section 2 using
13 any of the following means:

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

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

20 (c) The use of real estate brokerage services designed to
21 realize the best value to this state, as determined by the
22 department of technology, management, and budget.

23 (d) A value for value conveyance negotiated by the department
24 of technology, management, and budget designed to realize the best
25 value to this state. In determining whether value for value
26 consideration for the property represents the best value, the
27 department of technology, management, and budget may consider the
28 fair market value, or the total value based on any positive
29 economic impact to this state likely to be generated by the

1 proposed use of the property, especially economic impact resulting
2 in the creation of jobs or increased capital investment in this
3 state.

4 (e) Offering the property for sale for fair market value to 1
5 or more units of local government in which the property is located.

6 (f) Offering the property for sale for less than fair market
7 value to the units of local government in which the property is
8 located.

9 (g) Conveying the property to a land bank authority created
10 under the land bank fast track act, 2003 PA 258, MCL 124.751 to
11 124.774.

12 (2) If real property is to be sold for fair market value under
13 this section, the fair market value must be determined by a fee
14 appraisal prepared for the department of technology, management,
15 and budget by an independent appraiser.

16 Sec. 5. A sale to a unit of local government under section 3
17 or 4(1)(f) must be subject to all of the following conditions:

18 (a) The property must be used exclusively for public use. If a
19 fee, term, or condition is imposed on members of the public for use
20 of the property, or if the fee, term, or condition for use is
21 waived, all members of the public must be subject to the same fees,
22 terms, conditions, and waivers. The public use restriction must be
23 included in the deed.

24 (b) If the unit of local government intends to convey the
25 property, the unit must provide notice to the department of
26 technology, management, and budget of its intent to offer the
27 property for sale. The department of technology, management, and
28 budget retains a right to first purchase the property at the
29 original sale price within 1 year after the notice. If this state

1 waives its first refusal right, the unit of local government must
2 pay to this state 100% of the difference between the sale price of
3 the conveyance from this state and the sale price of the unit of
4 local government's subsequent sale or sales to third parties.

5 (c) The unit of local government must reimburse this state at
6 closing for costs demonstrably incurred by this state that were
7 necessary to prepare the property for conveyance.

8 Sec. 6. (1) A deed authorized by this act must be approved as
9 to legal form by the department of attorney general.

10 (2) Real property conveyed under this act includes all
11 surplus, salvage, and scrap property or equipment remaining on the
12 property on the date of the conveyance.

13 (3) This state shall not reserve oil, gas, or mineral rights
14 to property conveyed under this act. However, the conveyance
15 authorized under this act must provide that, if the grantee or any
16 successor develops any oil, gas, or minerals found on, within, or
17 under the conveyed property, the grantee or any successor must pay
18 this state 1/2 of the gross revenue generated from the development
19 of the oil, gas, or minerals. A payment under this subsection must
20 be deposited in the general fund.

21 (4) A conveyance under this act must reserve to this state all
22 aboriginal antiquities, including mounds, earthworks, forts, burial
23 and village sites, mines, or other relics lying on, within, or
24 under the property, with power to this state and all others acting
25 under its authority to enter the property for any purpose related
26 to exploring, excavating, and taking away the aboriginal
27 antiquities.

28 (5) If property conveyed under this act is used in a manner
29 that violates any of the restrictions imposed under section 5 or

1 subsection (3) or (4), this state may reenter and take the
2 property, terminating the grantee's or any successor's estate in
3 the property.

4 (6) If a grantee or successor disputes this state's exercise
5 of its right of reentry under subsection (5) and fails to promptly
6 deliver possession of the property to this state, the attorney
7 general, on behalf of this state, may bring an action to quiet
8 title to, and regain possession of, the property.

9 (7) If this state reenters and repossesses property under
10 subsection (5) or (6), this state is not liable to reimburse any
11 person for any improvements made on the property.

12 Sec. 7. The state administrative board shall deposit the net
13 revenue received from the sale of property under this section in
14 the state treasury. The state treasurer shall credit the money
15 deposited to the general fund.