

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 306

A bill to authorize the department of management and budget to convey certain parcels of state owned property in Eaton county; to prescribe conditions for the conveyances; to provide for certain powers and duties of the department of management and budget in implementing those conveyances; to provide for disposition of revenue derived from the conveyances; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1. The department of management and budget, on behalf  
2 of the state, may convey to the Grand Ledge school district, for  
3 consideration of \$1.00, 2 parcels of real property now under the  
4 jurisdiction of the department of management and budget and

1 located in Eaton county, Michigan, and more particularly  
2 described as:

3 Parcel A

4 Beginning at a point 16 rods North from the  
5 Southeast corner of the North 1/2 of the Southwest 1/4 of  
6 Section 11, T4N, R4W; thence West 80 rods; thence North  
7 8 rods; thence East 80 rods; thence South 8 rods to the point  
8 of beginning.

9 Parcel B

10 Beginning at the Southeast corner of the North 1/2 of the  
11 Southwest 1/4 of Section 11, T4N, R4W; thence West 80 rods;  
12 thence North on the eighth line 16 rods; thence East 80 rods;  
13 thence South on the quarter line 16 rods to the point of  
14 beginning.

15 Sec. 2. The department of management and budget, on behalf  
16 of the state, may convey to the Grand Ledge school district in  
17 exchange for a lump sum cash payment of not less than the fair  
18 market value, a certain parcel of real property now under the  
19 jurisdiction of the department of management and budget and  
20 located in Eaton county, Michigan, and more particularly  
21 described as:

22 Parcel C

23 That part of the Southwest 1/4 of Section 11, T4N,  
24 R4W, City of Grand Ledge, Eaton County, Michigan, beginning at

1 the Northwest corner of Lot 180, SUPERVISOR'S PLAT NO. 2, City  
2 of Grand Ledge, Eaton County, Michigan, recorded in Liber 2 of  
3 Plats, Page 42, Eaton County Records; thence along the  
4 Northerly projection of the West line of said lot 180, 20.00  
5 feet; thence parallel with the North line of said Lot 180  
6 Easterly 150.00 feet; thence parallel with said West line of  
7 Lot 180 Southerly 20.00 feet to said North line of Lot 180;  
8 thence Westerly 150.00 feet to the point of beginning.

9 Sec. 3. The descriptions of the parcels in this act are  
10 approximate and for purposes of the conveyance are subject to  
11 adjustment as the state administrative board or the attorney  
12 general considers necessary by survey or other legal description.

13 Sec. 4. The conveyance authorized by section 1 shall provide  
14 for all of the following:

15 (a) The property shall be used exclusively for public  
16 purposes and if any fee, term, or condition for the use of the  
17 property is imposed on members of the public, or if any of those  
18 fees, terms, or conditions are waived for use of this property,  
19 resident and nonresident members of the public shall be subject  
20 to the same fees, terms, conditions, and waivers.

21 (b) Upon termination of the use described in subdivision (a)  
22 or use for any other purpose, the state may reenter and repossess  
23 the property, terminating the grantee's estate in the property.

24 (c) If the grantee disputes the state's exercise of its  
25 right of reentry and fails to promptly deliver possession of the  
26 property to the state, the attorney general, on behalf of the  
27 state, may bring an action to quiet title to, and regain

1 possession of, the property. If the state reenters and  
2 repossesses the property, the state shall not be liable for  
3 reimbursing any party for any improvements on the property.

4       Sec. 5. The fair market value of the property described in  
5 section 2 shall be determined by an appraisal commissioned by the  
6 department of management and budget and prepared by an  
7 independent professional appraiser.

8       Sec. 6. If the properties described in section 1 or 2 are  
9 not sold to the Grand Ledge school district within 1 calendar  
10 year after the effective date of this act, the director of the  
11 department of management and budget may offer the property for  
12 sale on the open market for not less than fair market value as  
13 determined by an appraisal prepared by an independent  
14 professional fee appraiser.

15       Sec. 7. (1) If the property described in section 1 or 2 is  
16 offered on the open market at not less than fair market value in  
17 accordance with section 6, the sale shall be conducted so as to  
18 realize the highest and best price and/or value for the state as  
19 determined by the director of the department of management and  
20 budget. The sale shall be done in an open manner that uses 1 or  
21 more of the following:

22       (a) A competitive sealed bid.

23       (b) A public auction.

24       (c) Broker services.

25       (2) A notice of a sealed bid, a public auction, or use of  
26 broker services under subsection (1) shall be published at least  
27 once in a newspaper as defined in section 1461 of the revised

1   judicature act of 1961, 1961 PA 236, MCL 600.1461, not less than  
2   10 days before the sale. The notice shall describe the general  
3   location of the property and the date, time, and place of the  
4   sale.

5           Sec. 8. Each conveyance authorized by this act shall be by  
6   quitclaim deed designed or otherwise approved by the attorney  
7   general and shall not reserve to the state any gas, oil, or  
8   mineral rights found on, within, or under the conveyed property,  
9   but shall provide for the exercise of the state's ongoing  
10  property interests in and regulatory jurisdiction over any  
11  historic artifacts and antiquities subsequently found on the  
12  site.

13           Sec. 9. The state forgives any rent and interest that might  
14  otherwise be due from the Grand Ledge school district's use and  
15  occupancy of the state's properties described in sections 1 and 2  
16  prior to closing, if the use and occupancy is otherwise governed  
17  by a formal lease or rental agreement binding the parties to  
18  commonly accepted norms of leasing state property and that  
19  affords the state adequate liability coverage under the lessee's  
20  own insurance policy or policies. The lease or rental agreement  
21  shall be designed and interpreted by the department of management  
22  and budget in consultation with the attorney general.

23           Sec. 10. In addition to the sale revenue provided in this  
24  act, the department of management and budget may also charge the  
25  buyer for reimbursement of all administrative costs associated  
26  with the department's implementation of this act, including, but  
27  not limited to, the costs of appraising and surveying the

1 property and those associated with brokering and managing the  
2 sale of the property. Reimbursement for those administrative  
3 costs shall be deposited with and credited to the department of  
4 management and budget. All other revenue received under this act  
5 shall be deposited in the state treasury and credited to the  
6 general fund.

7       Sec. 11. The following acts are repealed:

8       (a) 1973 PA 194.

9       (b) 1980 PA 39.

10       (c) 1981 PA 179.