

HOUSE BILL No. 6053

May 6, 2008, Introduced by Rep. Cushingberry and referred to the Committee on Appropriations.

A bill to authorize the state administrative board to convey a certain parcel of state owned property in Wayne county; to prescribe conditions for the conveyance; to provide for certain 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. The state administrative board, on behalf of the state
2 and subject to the terms stated in this act, may convey by
3 quitclaim deed, for not less than fair market value, all or
4 portions of certain state owned property now under the jurisdiction
5 of the department of human services, commonly known as Dexter-
6 Elmhurst, and located in the city of Detroit, county of Wayne,

Michigan, and more particularly described as follows:

Lots 113 to 119, inclusive; Lots 190 to 197, inclusive; and the East 10 feet of Lot 198, Lewis and Crofoot's Subdivision No. 4 on East 1/2 of 1/4 Section 29, in Ten Thousand Acre Tract, Greenfield, T1S, R11E, Wayne County, Michigan, as recorded in Liber 26, Page 84 of Plats, Wayne County Records.

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

Sec. 3. The property described in section 1 includes all surplus, salvage, and scrap property or equipment.

Sec. 4. The fair market value of the property described in section 1 shall be determined by an appraisal prepared for the department of management and budget by an independent appraiser.

Sec. 5. Subject to section 6, the department of management and budget shall take the necessary steps to prepare to convey the property described in section 1 using any of the following at any time:

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

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

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

1 (d) Offering the property for sale for fair market value to a
2 local unit or units of government.

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

5 Sec. 6. Before offering the property describe in section 1 for
6 public sale, the director of the department of management and
7 budget shall first offer the property for sale for consideration of
8 \$1.00 to the county of Wayne, or an entity formed by the county of
9 Wayne, subject to section 7. The county of Wayne, or an entity
10 formed by the county of Wayne, shall have a first right to purchase
11 the property for 120 days after the effective date of this act.

12 Sec. 7. Any conveyance to a local unit of government
13 authorized by section 5(e) or 6 shall provide for all of the
14 following:

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

21 (b) In the event of an activity inconsistent with subdivision
22 (a), the state may reenter and repossess the property, terminating
23 the grantee's or successor's estate in the property.

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

1 of, the property.

2 (d) If the state reenters and repossesses the property, the
3 state shall not be liable to reimburse any party for any
4 improvements made on the property.

5 (e) The local unit of government shall reimburse the state for
6 requested costs necessary to prepare the property for conveyance.

7 (f) If the local unit of government intends to convey the
8 property within 10 years after purchasing the property from this
9 state, the local unit of government shall provide notice to the
10 department of management and budget of its intent to offer the
11 property for sale. The department of management and budget shall
12 retain a right to first purchase the property at the original sale
13 price within 90 days after the notice. If the state waives that
14 right, the local unit of government shall pay to the state 40% of
15 the difference between the sale price of the conveyance from the
16 state and the sale price of the local unit of government's
17 subsequent sale or sales to a third party.

18 Sec. 8. The department of attorney general shall approve as to
19 legal form the quitclaim deed authorized by this act.

20 Sec. 9. The state shall not reserve oil, gas, or mineral
21 rights to the property conveyed under this act. However, the
22 conveyance authorized under this act shall provide that, if the
23 purchaser or any grantee develops any oil, gas, or minerals found
24 on, within, or under the conveyed property, the purchaser or any
25 grantee shall pay the state 1/2 of the gross revenue generated from
26 the development of the oil, gas, or minerals. This payment shall be
27 deposited in the general fund.

1 Sec. 10. The state reserves all aboriginal antiquities
2 including mounds, earthworks, forts, burial and village sites,
3 mines, or other relics lying on, within, or under the property with
4 power to the state and all others acting under its authority to
5 enter the property for any purpose related to exploring,
6 excavating, and taking away the aboriginal antiquities.

7 Sec. 11. The net revenue received from the sale of property
8 under this act shall be deposited in the state treasury and
9 credited to the general fund. As used in this section, "net
10 revenue" means the proceeds from the sale of the property less
11 reimbursement for any costs to the state associated with the sale
12 of property, including, but not limited to, administrative costs,
13 including employee wages, salaries, and benefits; costs of reports
14 and studies and other materials necessary to the preparation of
15 sale; environmental remediation; legal fees; and any litigation
16 related to the conveyance of the property.