

**SUBSTITUTE FOR  
HOUSE BILL NO. 5779**

A bill to authorize the state administrative board to convey certain parcels of state-owned property in Isabella county; to prescribe conditions for the conveyances; to provide for certain powers and duties of certain state departments in regard to the property; and to provide for disposition of revenue derived from the conveyances.

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

1           Sec. 1. (1) The state administrative board, on behalf of the  
2 state, may convey to the city of Mt. Pleasant, for consideration of  
3 \$1.00, all or portions of certain state-owned property now under  
4 the jurisdiction of the department of community health, commonly  
5 known as the Mt. Pleasant center, located in the city of Mt.  
6 Pleasant, Isabella county, Michigan, and more particularly

1 described as follows:

2 **Mt. Pleasant Center Main Campus:**

3 A PARCEL OF LAND SITUATED IN THE TOWNSHIP OF UNION, COUNTY OF  
4 ISABELLA, STATE OF MICHIGAN, AND DESCRIBED AS FOLLOWS TO-WIT:

5 A PARCEL OF LAND BEING PART OF THE EAST ½ OF SECTION 9, T14N, R4W,  
6 MORE PARTICULARLY DESCRIBED AS: BEGINNING AT THE SOUTH ¼ CORNER OF  
7 SAID SECTION 9; THENCE N00°15'30"W 1446.74 FEET ALONG THE NORTH-  
8 SOUTH ¼ LINE OF SAID SECTION 9; THENCE N89°42'45"E 274.82 FEET;  
9 THENCE N00°15'29"W 1182.23 FEET; THENCE N89°00'51"E 72.74 FEET;  
10 THENCE N07°42'29"W 103.33 FEET; THENCE N71°34'42"W 352.72 FEET TO  
11 THE NORTH-SOUTH 1/4 LINE; THENCE N00°15'17"W ALONG SAID NORTH-SOUTH  
12 1/4 LINE, 2417.88 FEET TO THE NORTH SECTION LINE; THENCE  
13 N88°50'08"E ALONG SAID NORTH LINE, 2647.57 FEET TO THE EAST SECTION  
14 LINE; THENCE S00°17'11"E ALONG SAID EAST LINE, 2645.95 FEET TO THE  
15 EAST-WEST 1/4 LINE; THENCE S00°16'36"E ALONG SAID EAST LINE,  
16 1255.42 FEET; THENCE N89°57'07"W 367.31 FEET; THENCE S32°02'10"W  
17 380.92 FEET; THENCE S60°57'30"E 219.17 FEET; THENCE S04°24'33"E  
18 238.08 FEET; THENCE S57°56'51"E 429.20 FEET TO THE EAST SECTION  
19 LINE; THENCE S00°16'36"E ALONG SAID EAST LINE, 497.72 FEET TO THE  
20 SOUTH SECTION LINE; THENCE S89°28'59"W ALONG SAID SOUTH LINE,  
21 2649.58 FEET TO THE POINT OF BEGINNING. PARCEL CONTAINS 304.62  
22 ACRES OF LAND, MORE OR LESS.

23 SUBJECT TO THE PUBLIC RIGHT-OF-WAY OF PICKARD ROAD OVER THE  
24 SOUTHERLY 58 FEET THEREOF, THE RIGHT-OF-WAY OF BAMBER ROAD OVER THE  
25 WESTERLY 33 FEET THEREOF, THE RIGHT-OF-WAY OF RIVER ROAD OVER THE  
26 NORTHERLY 33 FEET THEREOF AND THE RIGHT-OF-WAY OF CRAWFORD ROAD  
27 OVER THE EASTERLY 33 FEET THEREOF.

1 ALSO SUBJECT TO AND TOGETHER WITH ANY RESTRICTIONS, RIGHT-OF-WAYS  
2 OR EASEMENTS OF RECORD, IF ANY.

3 (2) The description of the property in subsection (1) is  
4 approximate and, for purposes of the conveyance, is subject to  
5 adjustments as the state administrative board or the attorney  
6 general considers necessary by survey or other legal description.

7 (3) The property described in subsection (1) shall include all  
8 surplus, salvage, and scrap property or equipment remaining on the  
9 property as of the date of the conveyance.

10 (4) The fair market value of the property described in  
11 subsection (1) shall be determined by an appraisal prepared for the  
12 department of technology, management, and budget by an independent  
13 appraiser.

14 (5) If any portion of the property described in subsection (1)  
15 is not conveyed to the city of Mt. Pleasant within 180 days after  
16 the effective date of this act, the director of the department of  
17 technology, management, and budget shall take the necessary steps  
18 to prepare to convey the remaining portions of the property using  
19 any of the following at any time:

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

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

26 (c) Real estate brokerage services designed to realize the  
27 best value to the state, as determined by the department of

1 technology, management, and budget.

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

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

14 (f) Offering the property for sale for less than fair market  
15 value to a local unit or units of government, subject to  
16 subsections (6) and (7).

17 (g) Conveying the property to the land bank fast track  
18 authority established under the land bank fast track act, 2003 PA  
19 258, MCL 124.751 to 124.774.

20 (6) Any conveyance for less than fair market value authorized  
21 by subsection (1) or (5)(f) shall provide for all of the following:

22 (a) The property shall be used exclusively for public  
23 purposes, and if any fee, term, or condition for the use of the  
24 property is imposed on members of the public, or if any of those  
25 fees, terms, or conditions are waived for use of this property, all  
26 members of the public shall be subject to the same fees, terms,  
27 conditions, and waivers.

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

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

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

12 (e) The grantee shall reimburse the state for all costs  
13 necessary to prepare the property for conveyance, including, but  
14 not limited to, surveys, title work, appraisals, and environmental  
15 assessments.

16 (7) For property conveyed pursuant to subsection (1) or (5)  
17 (f), if the local unit of government grantee intends to convey the  
18 property within 10 years after the conveyance from the state, the  
19 grantee shall provide notice to the department of technology,  
20 management, and budget of its intent to offer the property for  
21 sale. The department of technology, management, and budget shall  
22 retain a right to first purchase the property at the original sale  
23 price within 90 days after the notice at the original sale price  
24 plus the costs of any physical improvements made to the property,  
25 as determined by an auditor chosen by the state. If the state  
26 waives its right to first purchase the property, the local unit of  
27 government shall pay to the state 50% of the amount by which the

1 sale price of the local unit's subsequent sale or sales of the  
2 property to a third party exceeds the sum of the original sale  
3 price and the costs of any physical improvements made by the local  
4 unit to the property, as determined by an auditor chosen by the  
5 state. As used in this subsection, "physical improvements" shall  
6 include, but not be limited to, the cost of environmental  
7 remediation, demolition, and infrastructure improvements.

8 (8) The conveyance authorized by this section shall be by  
9 quitclaim deed approved by the department of attorney general.

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

18 (10) The state reserves all aboriginal antiquities including  
19 mounds, earthworks, forts, burial and village sites, mines, or  
20 other relics lying on, within, or under the property with power to  
21 the state and all others acting under its authority to enter the  
22 property for any purpose related to exploring, excavating, and  
23 taking away the aboriginal antiquities.

24 (11) The net revenue received from the sale of property under  
25 this section shall be deposited in the state treasury and credited  
26 to the general fund. As used in this subsection, "net revenue"  
27 means the proceeds from the sale of the property less reimbursement

1 for any costs to the state associated with the sale of property,  
2 including, but not limited to, administrative costs, including  
3 employee wages, salaries, and benefits; costs of reports and  
4 studies and other materials necessary to the preparation of sale;  
5 environmental remediation; legal fees; and any litigation related  
6 to any conveyance under this section.

7       Sec. 2. (1) The state administrative board, on behalf of the  
8 state, may convey to the Saginaw Chippewa Indian tribe of Michigan,  
9 for consideration of \$1.00, certain state-owned property now under  
10 the jurisdiction of the department of community health, commonly  
11 known as the Mt. Pleasant center, and located in the city of Mt.  
12 Pleasant, County of Isabella, Michigan, described as follows:

13 **Parcel 1: Cemetery and Gravesites**

14 A PARCEL OF LAND SITUATED IN THE TOWNSHIP OF UNION, COUNTY OF  
15 ISABELLA, STATE OF MICHIGAN, AND DESCRIBED AS FOLLOWS TO-WIT:

16 A PARCEL OF LAND BEING IN THE NORTHEAST 1/4 OF SECTION 9, T14N,  
17 R4W, MORE PARTICULARLY DESCRIBED AS COMMENCING AT THE NORTH 1/4  
18 THENCE S00°15'17"E 2417.88 FEET ALONG THE N-S 1/4 LINE TO THE POINT  
19 OF BEGINNING; THENCE CONTINUING S00°15'17"E ALONG SAID N-S 1/4  
20 LINE, 219.84 FEET TO THE E-W 1/4 LINE; THENCE N89°00'51"E ALONG  
21 SAID E-W 1/4 LINE, 347.58 FEET; THENCE N07°42'29"W 103.33 FEET;  
22 THENCE N71°34'42"W 352.72 FEET TO THE POINT OF BEGINNING. PARCEL  
23 CONTAINS 1.25 ACRES OF LAND, MORE OR LESS.

24 SUBJECT TO THE PUBLIC RIGHT-OF-WAY FOR BAMBER ROAD OVER THE  
25 WESTERLY 33-FEET THEREOF.

26 SUBJECT TO ALL RESTRICTIONS, RIGHT-OF-WAYS, EASEMENTS, COVENANTS  
27 AND AGREEMENTS OF RECORD, IF ANY.

1 **Parcel 2: Six Indian School Buildings**

2 A PARCEL OF LAND SITUATED IN THE TOWNSHIP OF UNION, COUNTY OF  
3 ISABELLA, STATE OF MICHIGAN, AND DESCRIBED AS FOLLOWS TO-WIT:

4 A PARCEL OF LAND BEING PART OF THE EAST ½ OF SECTION 9, T14N, R4W,  
5 MORE PARTICULARLY DESCRIBED AS COMMENCING AT THE SOUTHEAST CORNER  
6 OF SECTION 9; THENCE N00°16'36"W ALONG THE EAST SECTION LINE,  
7 497.72 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING N00°16'36W  
8 ALONG SAID EAST LINE, 894.16 FEET; THENCE N89°57'07"W 367.31 FEET;  
9 THENCE S32°02'10"W 380.92 FEET; THENCE S60°57'30"E 219.17 FEET;  
10 THENCE S04°24'33"E 238.08 FEET; THENCE S57°56'51"E 429.20 FEET TO  
11 THE POINT OF BEGINNING; PARCEL CONTAINS 7.61 ACRES OF LAND, MORE OR  
12 LESS.

13 SUBJECT TO THE PUBLIC RIGHT-OF-WAY OF CRAWFORD ROAD OVER THE  
14 EASTERLY 33 FEET THEREOF.

15 ALSO SUBJECT TO AND TOGETHER WITH ANY RESTRICTIONS, RIGHT-OF-WAYS  
16 OR EASEMENTS OF RECORD, IF ANY.

17 (2) The description of the property in subsection (1) is  
18 approximate and, for purposes of the conveyance, is subject to  
19 adjustments as the state administrative board or the attorney  
20 general considers necessary by survey or other legal description.

21 (3) The property described in subsection (1) shall include all  
22 surplus, salvage, and scrap property or equipment remaining on the  
23 property as of the date of the conveyance.

24 (4) The fair market value of the property described in  
25 subsection (1) shall be determined by an appraisal prepared for the  
26 department of technology, management, and budget by an independent



1 appraiser.

2 (5) If any portion of the property described in subsection (1)  
3 is not conveyed to the Saginaw Chippewa Indian tribe of Michigan  
4 within 180 days after the effective date of this act, the director  
5 of the department of technology, management, and budget shall take  
6 the necessary steps to prepare to convey the remaining portions of  
7 the property using any of the following at any time:

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

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

14 (c) Real estate brokerage services designed to realize the  
15 best value to the state, as determined by the department of  
16 technology, management, and budget.

17 (d) A value for value conveyance negotiated by the department  
18 of technology, management, and budget designed to realize the best  
19 value to the state. In determining whether value for value  
20 consideration for the property represents the best value, the  
21 department may consider the fair market value, or an amount equal  
22 to the actual costs to maintain the property, or the total value  
23 based on any positive economic impact to the state likely to be  
24 generated by the proposed use of the property, especially economic  
25 impact resulting in the creation of jobs or increased capital  
26 investment in the state.

27 (e) Offering the property for sale for fair market value to a

1 local unit or units of government.

2 (f) Offering the property for sale for less than fair market  
3 value to a local unit or units of government, subject to  
4 subsections (6) and (7).

5 (g) Conveying the property to the land bank fast track  
6 authority established under the land bank fast track act, 2003 PA  
7 258, MCL 124.751 to 124.774.

8 (6) Any conveyance for less than fair market value authorized  
9 by subsection (1) or (5)(f) shall provide for all of the following:

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

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

19 (c) If the grantee or successor disputes the state's exercise  
20 of its right of reentry and fails to promptly deliver possession of  
21 the property to the state, the attorney general, on behalf of the  
22 state, may bring an action to quiet title to, and regain possession  
23 of, the property.

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

27 (e) The grantee shall reimburse the state for all costs

1 necessary to prepare the property for conveyance, including, but  
2 not limited to, surveys, title work, appraisals, and environmental  
3 assessments.

4 (7) For property conveyed pursuant to subsection (1) or (5)  
5 (f), if the local unit of government grantee intends to convey the  
6 property within 3 years after the conveyance from the state, the  
7 grantee shall provide notice to the department of technology,  
8 management, and budget of its intent to offer the property for  
9 sale. The department of technology, management, and budget shall  
10 retain a right to first purchase the property at the original sale  
11 price within 90 days after the notice at the original sale price  
12 plus the costs of any physical improvements made to the property,  
13 as determined by an auditor chosen by the state. If the state  
14 waives its right to first purchase the property, the local unit of  
15 government shall pay to the state 40% of the amount by which the  
16 sale price of the local unit's subsequent sale or sales of the  
17 property to a third party exceeds the sum of the original sale  
18 price and the costs of any physical improvements made by the local  
19 unit to the property, as determined by an auditor chosen by the  
20 state.

21 (8) The conveyance authorized by this section shall be by  
22 quitclaim deed approved by the department of attorney general.

23 (9) The state shall not reserve oil, gas, or mineral rights to  
24 the property conveyed under this section. However, the conveyance  
25 authorized under this section shall provide that, if the purchaser  
26 or any grantee develops any oil, gas, or minerals found on, within,  
27 or under the conveyed property, the purchaser or any grantee shall

1 pay the state 1/2 of the gross revenue generated from the  
2 development of the oil, gas, or minerals. This payment shall be  
3 deposited in the general fund.

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

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