

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1320

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. The state administrative board, on behalf of the
2 state, may convey by quitclaim deed all or portions of certain
3 state-owned property now under the jurisdiction of the department
4 of corrections, commonly known as the camp Sauble correctional
5 facility, and located in the township of Free Soil, Mason county,
6 Michigan, and more particularly described as:

1 Township of Freesoil
2 Township 20 North, Range 16 West
3 Section 24
4 Southwest Quarter of the Southwest Quarter, 40 acres more or less.
5 Subject to and together with any restrictions, right-of-ways and
6 easements of record, if any.
7 Containing 40 acres of land, more or less.

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

12 Sec. 3. The fair market value of the property described in
13 section 1 shall be determined by an appraisal prepared for the
14 department of technology, management, and budget by an independent
15 appraiser.

16 Sec. 4. The property described in section 1 shall include all
17 surplus, salvage, and scrap property or equipment.

18 Sec. 5. The director of the department of technology,
19 management, and budget shall first offer the property described in
20 section 1 to the township of Free Soil, which shall have the first
21 right to purchase the property for a period of 180 days after the
22 offer. The township of Free Soil may acquire the property, or any
23 portion of the property, for less than fair market value.
24 Conveyance of any portion of the property for less than fair market
25 value shall be subject to the conditions prescribed in section 7.

26 Sec. 6. If any portion of the property described in section 1

1 is not conveyed pursuant to section 5, the department of
2 technology, management, and budget shall take the necessary steps
3 to prepare to convey the remaining portions of the property using
4 any of the following:

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

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

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

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

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

26 (f) Offering the property for sale for less than fair market
27 value to a local unit or units of government.

1 Sec. 7. Any conveyance to a local unit of government pursuant
2 to section 5 or 6(f) shall provide for all of the following:

3 (a) The property shall be used exclusively for public purposes
4 and if any fee, term, or condition for the use of the property is
5 imposed on members of the public, or if any of those fees, terms,
6 or conditions are waived for use of the property, all members of
7 the public shall be subject to the same fees, terms, conditions,
8 and waivers.

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

12 (c) If the grantee or successor disputes the state's exercise
13 of its right of reentry and fails to promptly deliver possession of
14 the property to the state, the attorney general, on behalf of the
15 state, may bring an action to quiet title to, and regain possession
16 of, the property.

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

20 (e) The local unit of government shall reimburse the state for
21 all costs necessary to prepare the property for conveyance.

22 Sec. 8. For property conveyed pursuant to sections 5 and 6(f),
23 if the local unit of government intends to convey the property
24 within 10 years after the conveyance from the state, the local unit
25 shall provide notice to the director of the department of
26 technology, management, and budget, or its successor, of its intent
27 to offer the property for sale. The department of technology,

1 management, and budget shall retain a right to first purchase the
2 property at the original sale price, plus the value of any
3 improvements made to the property as determined by an independent
4 fee appraiser, within 90 days after the notice. In the event that
5 the state waives its right to first purchase the property, the
6 local unit of government shall pay to the state 40% of the
7 difference between the sale price of the conveyance from the state
8 and the sale price of the local unit's subsequent sale or sales to
9 a third party.

10 Sec. 9. The department of attorney general shall approve as to
11 legal form all quitclaim deeds authorized by sections 1 to 8.

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

20 Sec. 11. The state reserves all aboriginal antiquities
21 including mounds, earthworks, forts, burial and village sites,
22 mines, or other relics lying on, within, or under the property with
23 power to the state and all others acting under its authority to
24 enter the property for any purpose related to exploring,
25 excavating, and taking away the aboriginal antiquities.

26 Sec. 12. The net revenue received from the sale of property
27 under section 1 shall be deposited in the state treasury and

1 credited to the general fund. As used in this section, "net
2 revenue" means the proceeds from the sale of the property less
3 reimbursement for any costs to the state associated with the sale
4 of property, including, but not limited to, administrative costs,
5 including employee wages, salaries, and benefits; costs of reports
6 and studies and other materials necessary to the preparation of
7 sale; environmental remediation; legal fees; and any litigation
8 related to any conveyance.

9 Sec. 13. (1) The state administrative board, on behalf of the
10 state, may convey by quitclaim deed all or portions of certain
11 state-owned property now under the jurisdiction of the department
12 of human services, commonly known as the Adrian training school,
13 and located in the city of Adrian, Lenawee county, Michigan, and
14 more particularly described as follows:

15 PARCEL A

16 A PARCEL OF LAND IN THE se $\frac{1}{4}$ OF Section 26, T6S, R3E, Lenawee
17 County, Michigan, and more specifically described as: Commencing at
18 the E $\frac{1}{4}$ corner of said Section 26; thence S00°54'25"E 330.19 feet,
19 on the east line of said Section 26 to the point of beginning of
20 this description; thence N88°58'07"W 1221.10 feet, on the southerly
21 line of Curtis Road to the southeasterly right of way line of the
22 Norfolk and Western Railroad; thence S32°31'16"W 185.48 feet, on
23 said Railroad right of way to the west line of the E $\frac{1}{2}$ of the SE $\frac{1}{4}$
24 of said Section 26; thence S01°09'15"E 1818.22 feet on said west
25 line; thence S88°29'11"E 1063.28 feet, to the westerly right of way
26 line of Michigan Highway M-52; thence 417.75 feet, on the arc of a

1 curve to the left whose central angle is 17°18'53" with a radius of
2 1382.39 feet and a long chord bearing and distance of N22°06'43"E,
3 416.16 feet; thence WEST 183.01 feet; thence NORTH 360.00 feet;
4 thence EAST 220.68 feet, to the westerly right of way line of M-52;
5 thence N00°29'05"W 587.15 feet, on said westerly right of way;
6 thence 342.78 feet, on the arc of a curve to the right (on said
7 westerly right of way) whose central angle is 13°14'55" with a
8 radius of 1482.39 feet and a long chord bearing and distance of
9 N06°08'23"E 342.01 feet to the easterly line of said Section 26,
10 thence N00°54'25"W 307.65 feet on said section line to the point of
11 beginning. The above described parcel contains 55.25 acres, more or
12 less.

13 PARCEL B

14 A parcel of land in the SE ¼ of Section 26, T6S, R3E, Lenawee
15 County, Michigan, and more specifically described as: Commencing at
16 the E ¼ corner of said Section 26; thence S00°54'25"E 330.19 feet;
17 thence N88°58'07"W 1298.50 feet to the point of beginning of this
18 description, said point of beginning being the intersection of the
19 northwesterly right of way of the Norfolk and Western Railroad and
20 the south line of Curtis Street; thence S32°31'16"W 46.00 feet, on
21 said Railroad right-of-way to the west line of the E ½ of the SE ¼
22 of said Section 26; thence N01°09'15"W 39.25 feet, on said west
23 line to the south line of Curtis Street thence S88°58'07"E 25.52
24 feet, on the south line of Curtis Street to the point of beginning.
25 The above described parcel contains 0.01 acres, more or less. All
26 bearings on parcels "A" and "B" are relative and referenced to

1 Michigan State Highway M-52 right of way plans. The above described
2 parcels "A" and "B" are subject to any easements and/or rights of
3 record as they may pertain to this parcel.

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

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

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

15 (5) The director of the department of technology, management,
16 and budget shall first offer the parcels of property described in
17 subsection (1) to the city of Adrian, which shall have the first
18 right to purchase the property for a period of 180 days after the
19 effective date of this section. The city of Adrian may acquire the
20 property or any portion thereof for less than fair market value.
21 Conveyance of any portion of the property for less than fair market
22 value is subject to the conditions prescribed in subsections (7)
23 and (8).

24 (6) If the parcels of property described in subsection (1) are
25 not conveyed to the city of Adrian under subsection (5), the
26 director of the department of technology, management, and budget
27 may offer the property to 1 or more parties using any of the

1 following at any time:

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

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

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

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

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

23 (f) Offering the property for sale for less than fair market
24 value to a local unit or units of government subject to subsections
25 (7) and (8).

26 (g) Conveying the land to the land bank fast track authority
27 established under the land bank fast track act, 2003 PA 258, MCL

1 124.751 to 124.774, for an amount of consideration the department
2 of technology, management, and budget considers proper, fair, and
3 valuable, including a conveyance for no monetary consideration.

4 (7) Any conveyance to a local unit of government pursuant to
5 subsection (5) or (6)(f) shall provide for all of the following:

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

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

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

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

23 (e) The local unit of government shall reimburse the state for
24 all costs necessary to prepare the property for conveyance.

25 (8) For property conveyed pursuant to subsection (5) or
26 (6)(f), if the local unit of government grantee intends to convey
27 the property within 10 years after the conveyance from the state,

1 the grantee shall provide notice to the department of technology,
2 management, and budget of its intent to offer the property for
3 sale. The department of technology, management, and budget shall
4 retain a right to first purchase the property at the original sale
5 price within 90 days after the notice. If the state repurchases the
6 property, the state shall not be liable to any party for
7 improvements to, or liens placed on, the property. In the event
8 that the state waives its first refusal right, the local unit of
9 government shall pay to the state 40% of the difference between the
10 sale price of the conveyance from the state and the sale price of
11 the local unit's subsequent sale or sales to a third party.

12 (9) The department of attorney general shall approve as to
13 legal form all quitclaim deeds authorized by this section.

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

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

1 (12) The net revenue received from the sale of property under
2 this section shall be deposited in the state treasury and credited
3 to the general fund. As used in this subsection, "net revenue"
4 means the proceeds from the sale of the property less reimbursement
5 for any costs to the state associated with the sale of property,
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 related
10 to any conveyance.