

**SUBSTITUTE FOR
SENATE BILL NO. 1320**

A bill to authorize the state administrative board to convey certain state-owned property in Mason county; to prescribe conditions for the conveyance; 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 conveyance.

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 this act.

12 Sec. 10. The state shall not reserve oil, gas, or mineral
13 rights to the property conveyed under this act. However, the
14 conveyance authorized under this act 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 this act 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.