

# HOUSE BILL No. 4480

March 3, 2009, Introduced by Reps. Cushingberry, Johnson and Durhal 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,  
7 Michigan, and more particularly described as follows:  
8 Lots 113 to 119, inclusive; Lots 190 to 197, inclusive; and the  
9 East 10 feet of Lot 198, Lewis and Crofoot's Subdivision No. 4 on

1 East 1/2 of 1/4 Section 29, in Ten Thousand Acre Tract, Greenfield,  
2 T1S, R11E, Wayne County, Michigan, as recorded in Liber 26, Page 84  
3 of Plats, Wayne County Records.

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

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

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

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

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

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

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

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

27 (e) Offering the property for sale for less than fair market

1 value to a local unit or units of government, subject to section 7.

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

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

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

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

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

26       (d) If the state reenters and repossesses the property, the  
27 state shall not be liable to reimburse any party for any

1 improvements made on the property.

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

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

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

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

25 Sec. 10. The state reserves all aboriginal antiquities  
26 including mounds, earthworks, forts, burial and village sites,  
27 mines, or other relics lying on, within, or under the property with

1 power to the state and all others acting under its authority to  
2 enter the property for any purpose related to exploring,  
3 excavating, and taking away the aboriginal antiquities.

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