

Act No. 373
Public Acts of 2010
Approved by the Governor
December 22, 2010
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**STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2010**

Introduced by Senator Van Woerkom

ENROLLED SENATE BILL No. 1320

AN ACT 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:

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

Township of Freesoil

Township 20 North, Range 16 West

Section 24

Southwest Quarter of the Southwest Quarter, 40 acres more or less.

Subject to and together with any restrictions, right-of-ways and easements of record, if any.

Containing 40 acres of land, more or less.

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

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

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

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

Sec. 6. If any portion of the property described in section 1 is not conveyed pursuant to section 5, the department of technology, management, and budget shall take the necessary steps to prepare to convey the remaining portions of the property using any of the following:

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

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

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

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

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

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

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

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

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

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

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

Sec. 8. For property conveyed pursuant to sections 5 and 6(f), if the local unit of government intends to convey the property within 10 years after the conveyance from the state, the local unit shall provide notice to the director of the department of technology, management, and budget, or its successor, of its intent to offer the property for sale. The department of technology, management, and budget shall retain a right to first purchase the property at the original sale price, plus the value of any improvements made to the property as determined by an independent fee appraiser, within 90 days after the notice. In the event that the state waives its right to first purchase the property, the local unit of government shall pay to the state 40% of the difference between the sale price of the conveyance from the state and the sale price of the local unit's subsequent sale or sales to a third party.

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

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

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

Sec. 12. The net revenue received from the sale of property under section 1 shall be deposited in the state treasury and credited to the general fund. As used in this section, "net revenue" means the proceeds from the sale of the property less reimbursement for any costs to the state associated with the sale of property, including, but not limited to, administrative costs, including employee wages, salaries, and benefits; costs of reports and studies and other materials necessary to the preparation of sale; environmental remediation; legal fees; and any litigation related to any conveyance.

Sec. 13. (1) The state administrative board, on behalf of the state, may convey by quitclaim deed all or portions of certain state-owned property now under the jurisdiction of the department of human services, commonly known as the

Adrian training school, and located in the city of Adrian, Lenawee county, Michigan, and more particularly described as follows:

PARCEL A

A PARCEL OF LAND IN THE SE ¼ OF Section 26, T6S, R3E, Lenawee County, Michigan, and more specifically described as: Commencing at the E ¼ corner of said Section 26; thence S00°54'25"E 330.19 feet, on the east line of said Section 26 to the point of beginning of this description; thence N88°58'07"W 1221.10 feet, on the southerly line of Curtis Road to the southeasterly right of way line of the Norfolk and Western Railroad; thence S32°31'16"W 185.48 feet, on said Railroad right of way to the west line of the E ½ of the SE ¼ of said Section 26; thence S01°09'15"E 1818.22 feet on said west line; thence S88°29'11"E 1063.28 feet, to the westerly right of way line of Michigan Highway M-52; thence 417.75 feet, on the arc of a curve to the left whose central angle is 17°18'53" with a radius of 1382.39 feet and a long chord bearing and distance of N22°06'43"E, 416.16 feet; thence WEST 183.01 feet; thence NORTH 360.00 feet; thence EAST 220.68 feet, to the westerly right of way line of M-52; thence N00°29'05"W 587.15 feet, on said westerly right of way; thence 342.78 feet, on the arc of a curve to the right (on said westerly right of way) whose central angle is 13°14'55" with a radius of 1482.39 feet and a long chord bearing and distance of N06°08'23"E 342.01 feet to the easterly line of said Section 26, thence N00°54'25"W 307.65 feet on said section line to the point of beginning. The above described parcel contains 55.25 acres, more or less.

PARCEL B

A parcel of land in the SE ¼ of Section 26, T6S, R3E, Lenawee County, Michigan, and more specifically described as: Commencing at the E ¼ corner of said Section 26; thence S00°54'25"E 330.19 feet; thence N88°58'07"W 1298.50 feet to the point of beginning of this description, said point of beginning being the intersection of the northwesterly right of way of the Norfolk and Western Railroad and the south line of Curtis Street; thence S32°31'16"W 46.00 feet, on said Railroad right-of-way to the west line of the E ½ of the SE ¼ of said Section 26; thence N01°09'15"W 39.25 feet, on said west line to the south line of Curtis Street thence S88°58'07"E 25.52 feet, on the south line of Curtis Street to the point of beginning. The above described parcel contains 0.01 acres, more or less. All bearings on parcels "A" and "B" are relative and referenced to Michigan State Highway M-52 right of way plans. The above described parcels "A" and "B" are subject to any easements and/or rights of record as they may pertain to this parcel.

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

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

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

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

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

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

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

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

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

(g) Conveying the land to the land bank fast track authority established under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for an amount of consideration the department of technology, management, and budget considers proper, fair, and valuable, including a conveyance for no monetary consideration.

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

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

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

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

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

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

(8) For property conveyed pursuant to subsection (5) or (6)(f), if the local unit of government grantee intends to convey the property within 10 years after the conveyance from the state, the grantee shall provide notice to the department of technology, management, and budget of its intent to offer the property for sale. The department of technology, management, and budget shall retain a right to first purchase the property at the original sale price within 90 days after the notice. If the state repurchases the property, the state shall not be liable to any party for improvements to, or liens placed on, the property. In the event that the state waives its first refusal right, the local unit of government shall pay to the state 40% of the difference between the sale price of the conveyance from the state and the sale price of the local unit's subsequent sale or sales to a third party.

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

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

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

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

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved

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Governor