

# HOUSE BILL NO. 6514

December 16, 2020, Introduced by Rep. Maddock and referred to the Committee on Appropriations.

A bill to require the department of technology, management, and budget to convey state-owned property in Roscommon County; to prescribe conditions for the conveyance; to provide for powers and duties of state departments, agencies, and officers 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. As used in this act:
- 2       (a) "Fair market value" means the highest estimated price that

1 the property will bring if offered for sale on the open market,  
2 allowing a reasonable time to find a purchaser who would buy with  
3 knowledge of the property's possible uses.

4 (b) "Net revenue" means the proceeds from the sale of the  
5 property less reimbursement for any costs to the department of  
6 technology, management, and budget associated with the sale,  
7 including, but not limited to, administrative costs, including  
8 employee wages, salaries, and benefits; costs of reports and  
9 studies and other materials necessary to the preparation of sale;  
10 environmental remediation; legal fees; and any litigation costs  
11 related to the conveyance.

12 (c) "Qualified nonprofit organization" means an organization  
13 to which both of the following apply:

14 (i) The organization is registered with the department of the  
15 attorney general under the supervision of trustees for charitable  
16 purposes act, 1961 PA 101, MCL 14.251 to 14.266.

17 (ii) If required under any law of this state, the organization  
18 is registered with the secretary of state.

19 Sec. 2. (1) The department of technology, management, and  
20 budget, on behalf of this state, shall convey by quitclaim deed all  
21 or portions of real property described in subsection (2) that is  
22 owned by this state and under the jurisdiction of the state  
23 transportation department, Michigan aeronautics commission.

24 (2) All of the following apply to the real property to be  
25 conveyed under this act:

26 (a) The property is commonly referred to as the Houghton Lake  
27 State Airport.

28 (b) The property consists of all property located in Roscommon  
29 County that is under the jurisdiction of the Michigan aeronautics

1 commission.

2 (c) A portion of the property is identified for tax purposes  
3 in the records of Roscommon County as parcel number 011-203-006-  
4 0015, and partially described as:

5 224 THAT PART OF NW1/4 LYING S OF M-55 R/W GOVT LOT 3 SEC 3  
6 EXC N 350FT OF W 350FT & EXC COM AT W1/4 COR TH S89DEG31'25"E  
7 1475.41FT FOR POB TH S89DEG31'25"E 1329.48FT TO SW COR OF 3RD ADD  
8 HTN LK PARK TH N ALG WLY LINE OF PLAT 237.92FT TO SLY R/W M-55 TH

9 (d) The state transportation department shall provide to the  
10 department of technology, management, and budget a complete legal  
11 description of the property to be conveyed immediately on enactment  
12 of this act.

13 (3) The description of the property provided under subsection  
14 (2) is approximate and, for purposes of a conveyance under this  
15 act, may be adjusted as the department of technology, management,  
16 and budget or the department of attorney general considers  
17 necessary because of a survey or another legal description.

18 Sec. 3. (1) The department of technology, management, and  
19 budget shall take the necessary steps to convey real property  
20 described in section 2 using any of the following means:

21 (a) Any publicly disclosed competitive method of sale,  
22 selected to realize the fair market value to this state, as  
23 determined by the department of technology, management, and budget.

24 (b) Offering the property for sale for fair market value to 1  
25 or more units of local government in which the property is located.

26 (c) Exchanging some or all of the property for other real  
27 property if the other real property is determined by the department  
28 of technology, management, and budget to be of reasonably equal  
29 value to this state.

1 (d) Offering the property for sale for less than fair market  
2 value, including offering to convey the property for as little as  
3 \$1.00, to qualified nonprofit organizations. If property is  
4 conveyed under this subdivision, the department of technology,  
5 management, and budget may require the qualified nonprofit  
6 organization to which the property is conveyed to reimburse this  
7 state at closing for costs demonstrably incurred by this state that  
8 were necessary to prepare the property for conveyance.

9 (2) If the real property described in section 2 is not  
10 conveyed under subsection (1) by December 31, 2020, the department  
11 of technology, management, and budget shall convey the property for  
12 no consideration to the first person that requests the department  
13 to transfer the property to the person.

14 (3) If real property is to be sold for fair market value under  
15 this section, the fair market value must be determined by an  
16 independent fee appraisal prepared for the department of  
17 technology, management, and budget, or by an appraiser who is an  
18 employee or contractor of this state.

19 Sec. 4. (1) A deed authorized by this act must be approved as  
20 to legal form by the department of attorney general.

21 (2) Real property conveyed under this act includes all  
22 surplus, salvage, and personal property or equipment remaining on  
23 the property on the date of the conveyance.

24 (3) This state shall not reserve oil, gas, or mineral rights  
25 to property conveyed under this act. However, subject to subsection  
26 (9), the conveyance authorized under this act must provide that, if  
27 the grantee or any successor develops any oil, gas, or minerals  
28 found on, within, or under the conveyed property, the grantee or  
29 any successor must pay this state 1/2 of the gross revenue

1 generated from the development of the oil, gas, or minerals. A  
2 payment under this subsection must be deposited in the general  
3 fund.

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

11 (5) Subject to subsection (9), if property conveyed under this  
12 act was used by this state as a historical monument, memorial,  
13 burial ground, park, or protected wildlife habitat area, the  
14 grantee or any successor shall maintain and protect the property  
15 for that purpose in perpetuity in accordance with applicable law.

16 (6) If property conveyed under this act is used in a manner  
17 that violates any of the restrictions imposed under subsection (3),  
18 (4), or (5), this state may reenter and take the property,  
19 terminating the grantee's or any successor's estate in the  
20 property. An action to regain possession of the property may be  
21 brought and maintained by the attorney general on behalf of this  
22 state.

23 (7) If this state reenters and repossesses property under  
24 subsection (6), this state is not liable to reimburse any person  
25 for any improvements made on the property or to compensate any  
26 person for any part of an unfulfilled contract or license issued to  
27 provide goods or services on or for the property.

28 (8) A conveyance under this act must contain a restriction  
29 that, except as provided in subsection (6), the transferor or any

1 successor in interest to the transferor may not convey the property  
2 to this state.

3 (9) The department of technology, management, and budget shall  
4 not include restrictions under subsections (3) to (5) in any deed  
5 to convey the property under section 3(2).

6 Sec. 5. (1) The state transportation department is responsible  
7 for all expenses of maintaining the property to be conveyed under  
8 this act until the time of conveyance.

9 (2) The department of technology, management, and budget may  
10 require a grantee of property conveyed under this act to record the  
11 instrument of conveyance with the appropriate register of deeds and  
12 provide the department of technology, management, and budget with a  
13 recorded copy of the recorded instrument.

14 (3) The department of technology, management, and budget shall  
15 deposit the net revenue received from the sale of property under  
16 this act in the state treasury. The state treasurer shall credit  
17 the money deposited to the general fund.