

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4803**

A bill to authorize the state administrative board to transfer or convey a certain parcel of state-owned property of approximately 6 acres in Wayne county; to prescribe conditions for the transfer or conveyance; to create a state fairgrounds sale advisory committee; to provide for certain powers and duties of certain state departments and agencies in regard to the property; to provide for disposition of revenue derived from the conveyance of the property; and to provide for the disposal of fixtures and equipment on the property.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The state administrative board, on behalf of this
2 state, may convey by quitclaim deed or transfer, as provided in
3 this act, all or portions of certain state-owned property under the
4 jurisdiction of the department, which is part of the property

1 commonly known as the Michigan state fairgrounds, is located in the
2 city of Detroit, Wayne county, Michigan, and is further described
3 as follows:

4 A parcel of land in the NE 1/4 of Section 2, T1S, R11E, City of
5 Detroit, Wayne County, Michigan; the boundary of said parcel being
6 described as commencing at the North 1/4 Corner of Section 2, T1S,
7 R11E, Michigan Meridian; thence N 88°00'34" E, along the North
8 Section line, 30.11 feet; thence S 31°13'25" E, along the
9 Northeasterly right of way of the Grand Trunk Western Railroad,
10 1538.78 feet to the POINT OF BEGINNING; thence N 88°05'49" E,
11 537.23 feet; thence S 01°15'10" E, 937.64 feet; thence N 31°13'25"
12 W, along said right of way line, 1075.34 feet to the point of
13 beginning; said parcel contains 5.78 acres.

14 (2) The description of the property in subsection (1) is
15 approximate and, for purposes of the conveyance or transfer, is
16 subject to adjustments as the state administrative board or the
17 attorney general considers necessary by survey or other legal
18 description.

19 (3) The department shall attempt to dispose of surplus,
20 salvage, and scrap fixtures and equipment on the property described
21 in subsection (1) by donating or selling the fixtures and equipment
22 to county or other local fairs. The department may dispose of as
23 otherwise provided by law any surplus, salvage, or scrap fixture or
24 equipment not donated or sold to a county or other local fair. The
25 property described in subsection (1) includes all surplus, salvage,
26 and scrap property or equipment remaining on the property as of the
27 date of the conveyance or transfer.

1 Sec. 2. (1) The department shall take the necessary steps to
2 prepare for the conveyance or transfer of the property at any time.

3 (2) The department may prepare for the conveyance of the
4 property by any of the following means:

5 (a) Competitive bidding designed to realize the best value to
6 this state, as determined by the department.

7 (b) A public auction designed to realize the best value to
8 this state, as determined by the department.

9 (c) Real estate brokerage services designed to realize the
10 best value to this state, as determined by the department.

11 (d) Offering the property for sale to a local unit or units of
12 government for fair market value as determined by an appraisal
13 prepared for the department by an independent appraiser.

14 (3) The department may prepare for the transfer of the
15 property to the state land bank fast track authority.

16 (4) A conveyance under section 1 or described in section 4
17 shall provide for all of the following:

18 (a) The property conveyed shall not be used for a horse racing
19 track, auto racing track, casino, railroad freight yard, jail, or
20 prison.

21 (b) If the property conveyed is used in a manner inconsistent
22 with subdivision (a), this state may reenter and repossess that
23 property, terminating the grantee's or successor's estate in that
24 property.

25 (c) If the grantee or successor disputes this state's exercise
26 of its right to reenter and fails to promptly deliver possession of
27 that property to the state, the attorney general, on behalf of this

1 state, may bring an action to quiet title to, and regain possession
2 of, that property.

3 (d) If this state reenters and repossesses that property, this
4 state is not liable to reimburse any party for any improvements
5 made on that property.

6 Sec. 3. (1) If all or a portion of the property is transferred
7 to the state land bank fast track authority pursuant to section
8 2(3), the state fairgrounds sale advisory committee is created
9 within the department.

10 (2) The committee does not have the power to authorize or
11 prohibit any action by the state land bank fast track authority and
12 is advisory only.

13 (3) The committee shall consist of 1 representative, appointed
14 by the governor, from each of the following neighborhood
15 organizations from the vicinity of the state fairgrounds:

16 (a) Sherwood Forest neighborhood association.

17 (b) University district neighborhood association.

18 (c) Detroit golf club homeowners association.

19 (d) Palmer Woods neighborhood association.

20 (e) Greenacres neighborhood association.

21 (4) The members first appointed to the committee shall be
22 appointed within 60 days after the property is transferred to the
23 state land bank fast track authority.

24 (5) Members of the committee shall serve for terms of 3 years
25 or until a successor is appointed, whichever is later, except that
26 of the members first appointed under subsection (3), 3 shall serve
27 for 3 years and 2 shall serve for 2 years.

1 (6) If a vacancy occurs on the committee, the unexpired term
2 shall be filled in the same manner as the original appointment.

3 (7) The first meeting of the committee shall be called by the
4 executive director of the state land bank fast track authority. At
5 the first meeting, the committee shall elect from among its members
6 a chairperson and other officers as it considers necessary or
7 appropriate. After the first meeting, the committee shall meet at
8 least quarterly, or more frequently at the call of the chairperson
9 or if requested by 2 or more members.

10 (8) A majority of the members of the committee constitute a
11 quorum for the transaction of business at a meeting of the
12 committee. A majority of the members present and serving are
13 required for official action of the committee.

14 (9) The business that the committee may perform shall be
15 conducted at a public meeting of the committee held in compliance
16 with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

17 (10) A writing prepared, owned, used, in the possession of, or
18 retained by the committee in the performance of an official
19 function is subject to the freedom of information act, 1976 PA 442,
20 MCL 15.231 to 15.246.

21 (11) Members of the committee shall serve without
22 compensation.

23 (12) Subject to subsection (2), the committee shall provide
24 input and make recommendations to the state land bank fast track
25 authority on the sale and use of the property transferred to the
26 state land bank fast track authority pursuant to section 2(3).

27 (13) The state land bank fast track authority shall provide

1 necessary staffing for the committee and cooperate with the
2 committee in the fulfillment of the committee's duties.

3 (14) The committee is dissolved 60 days after all property
4 transferred to the state land bank fast track authority pursuant to
5 section 2(3) of this act and section 2(3) of Senate Bill No. 515 of
6 the 96th Legislature is conveyed by the state land bank fast track
7 authority.

8 (15) This act and Senate Bill No. 515 of the 96th Legislature
9 together create only 1 state fairgrounds sale advisory committee.

10 Sec. 4. If all or a portion of the property is transferred to
11 the state land bank fast track authority pursuant to section 2(3),
12 and the state land bank fast track authority subsequently conveys
13 the property to a third party, the state land bank fast track
14 authority shall establish performance requirements and penalty
15 provisions within the purchase agreement or other agreements
16 related to the subsequent conveyance. Not more than 30 days after
17 conveying property under this subsection, the state land bank fast
18 track authority shall submit a report to the legislature describing
19 the terms of the conveyance and providing a full accounting of all
20 revenue from and costs associated with the conveyance. The state
21 land bank fast track authority shall not convey the property to a
22 county authority or local authority.

23 Sec. 5. (1) A quitclaim deed or transfer document authorized
24 by this act shall be approved as to legal form by the department of
25 attorney general.

26 (2) This state shall not reserve oil, gas, or mineral rights
27 to property conveyed under this act. However, a conveyance

1 authorized under this act shall provide that, if the purchaser or
2 any grantee develops any oil, gas, or minerals found on, within, or
3 under the conveyed property, the purchaser or any grantee shall pay
4 this state 1/2 of the gross revenue generated from the development
5 of the oil, gas, or minerals. This payment shall be deposited in
6 the general fund.

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

13 (4) The net revenue received by this state from the conveyance
14 of property under this act, including conveyance by the state land
15 bank fast track authority, shall be deposited in the state treasury
16 and credited to the general fund.

17 Sec. 6. As used in this act:

18 (a) "Committee" means the state fairgrounds sale advisory
19 committee established pursuant to section 3(1).

20 (b) "County authority" means that term as defined in section 3
21 of the land bank fast track act, 2003 PA 258, MCL 124.753.

22 (c) "Department" means the department of technology,
23 management, and budget.

24 (d) "Local authority" means that term as defined in section 3
25 of the land bank fast track act, 2003 PA 258, MCL 124.753.

26 (e) "Net revenue" means the proceeds from the conveyance of
27 the property less reimbursement for any costs to the department,

1 land bank fast track authority, or other state department or agency
2 associated with the maintenance, preparation for sale, or sale of
3 property, including, but not limited to, administrative costs,
4 including employee wages, salaries, and benefits; costs of reports
5 and studies and other materials necessary to the preparation of
6 sale; environmental remediation; legal fees; any litigation related
7 to the conveyance of the property; and costs to the land bank fast
8 track authority to provide necessary staffing for the committee and
9 cooperate with the committee in the fulfillment of the committee's
10 duties.

11 (f) "State land bank fast track authority" means the land bank
12 fast track authority established under section 15 of the land bank
13 fast track act, 2003 PA 258, MCL 124.765.

14 Enacting section 1. This act does not take effect unless
15 Senate Bill No. 515 of the 96th Legislature is enacted into law.