

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5284**

A bill to authorize the department of technology, management, and budget to convey state-owned property in Saginaw 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. (1) After this state acquires the property, the
2 department of technology, management, and budget, on behalf of this
3 state, shall convey by quitclaim deed real property located in the
4 city of Saginaw, Saginaw County, described as follows:
5 The East 1/2 of vacated North Baum Street from the North line of
6 East Genesee Avenue to the center line of Tuscola Street.

1 (2) The description of the property in subsection (1) is
2 approximate and, for purposes of a conveyance under this act, may
3 be adjusted as the department of technology, management, and budget
4 or the department of attorney general considers necessary because
5 of a survey or another legal description.

6 (3) The department of technology, management, and budget shall
7 convey the real property described in subsection (1) to the city of
8 Saginaw for the sum of \$1.00, subject to the following conditions:

9 (a) The city of Saginaw shall convey the property for \$1.00 to
10 Delta College.

11 (b) If the city of Saginaw for any reason does not convey the
12 property to Delta College under subdivision (a) by September 30,
13 2018, title to the property automatically reverts to this state.

14 (c) If Delta College intends to convey the property, Delta
15 College must first offer the property for sale, in writing, to this
16 state, which may purchase the property at the original sale price.
17 Delta College shall provide this state 120 days to consider
18 reacquiring the property. If this state agrees to reacquire the
19 property, this state is not liable to any person for improvements
20 to or liens placed on the property.

21 (d) The department of technology, management, and budget may
22 require the city of Saginaw to reimburse this state at closing for
23 costs demonstrably incurred by this state that were necessary to
24 prepare the property for conveyance.

25 (4) A deed authorized by this section must be approved as to
26 legal form by the department of attorney general.

27 (5) Real property conveyed under this section includes all

1 surplus, salvage, and personal property or equipment remaining on
2 the property on the date of the conveyance.

3 (6) This state shall not reserve oil, gas, or mineral rights
4 to property conveyed under this section. However, the conveyance
5 authorized under this act must provide that, if the grantee or any
6 successor develops any oil, gas, or minerals found on, within, or
7 under the conveyed property, the grantee or any successor must pay
8 this state 1/2 of the gross revenue generated from the development
9 of the oil, gas, or minerals. A payment under this subsection must
10 be deposited in the general fund.

11 (7) A conveyance under this section must reserve to this state
12 all aboriginal antiquities, including mounds, earthworks, forts,
13 burial and village sites, mines, or other relics lying on, within,
14 or under the property, with power to this state and all others
15 acting under its authority to enter the property for any purpose
16 related to exploring, excavating, and taking away the aboriginal
17 antiquities.

18 (8) The department of technology, management, and budget may
19 require a grantee of property conveyed under this section to record
20 the instrument of conveyance with the appropriate register of deeds
21 and provide the department of technology, management, and budget
22 with a recorded copy of the recorded instrument.

23 (9) The department of technology, management, and budget shall
24 deposit the net revenue received from the sale of property under
25 this section in the state treasury. The state treasurer shall
26 credit the money deposited to the general fund.

27 (10) If property conveyed under this section is used in a

1 manner that violates any of the restrictions imposed under
2 subsection (6) or (7), this state may reenter and take the
3 property, terminating the grantee's or any successor's estate in
4 the property. An action to regain possession of the property under
5 this section may be brought and maintained by the attorney general
6 on behalf of this state.

7 (11) If this state reenters and repossesses property under
8 subsection (10), this state is not liable to reimburse any person
9 for any improvements made on the property or to compensate any
10 person for any part of an unfulfilled contract or license issued to
11 provide goods or services on or for the property.

12 (12) As used in this section, "net revenue" means the proceeds
13 from the sale of the property less reimbursement for any costs to
14 this state associated with the sale, including, but not limited to,
15 administrative costs, including employee wages, salaries, and
16 benefits; costs of reports and studies and other materials
17 necessary to the preparation of sale; environmental remediation;
18 legal fees; and any litigation costs related to the conveyance.