

**SUBSTITUTE FOR
SENATE BILL NO. 1124**

A bill to authorize the state administrative board to convey or transfer certain state owned property in Alpena county; to prescribe conditions for the conveyance; to provide for certain powers and duties of certain 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
2 state and subject to the terms stated in this act, may convey for
3 not less than fair market value all or portions of certain state
4 owned property now under the jurisdiction of the department of
5 state police and located in the city of Alpena, Alpena county,
6 Michigan, and more particularly described as follows:
7 Commencing at the section common to Sections 27, 28, 33, and 34,
8 thence along the section line common to Sections 33 and 34, 210

1 feet to the west line of State Street, thence along the west line
2 of State Street, 1,005 feet thence at right angles to State
3 Street, 27 feet, to the point of beginning, thence at right
4 angles to State Street, 156.6 feet, thence along a curve having a
5 radius of 2,704.58 feet, 218.2 feet, thence at right angles to
6 State Street and towards State Street 69.5 feet, thence at right
7 angles and paralleled to State Street 200 feet, to the point of
8 beginning, said parcel containing 0.518 acres, more or less.

9 Sec. 2. Before offering the property described in section 1
10 for public sale, the director of the department of management and
11 budget shall first offer the property for sale for less than fair
12 market value to the local units of government in which the
13 property is located. In order to exercise its right to purchase
14 the property under this section, a local government must enter
15 into a purchase agreement within 60 days after the date of the
16 offer and must complete the purchase within 120 days after the
17 date of the offer. If a local unit of government purchases the
18 property and, within 1 year after the date of that purchase,
19 conveys the property for use other than for public purposes, the
20 local unit of government shall pay to the state 50% of the net
21 profit, if any, realized from that conveyance.

22 Sec. 3. Any conveyance to a local unit of government
23 authorized by section 2 shall provide for all of the following:

24 (a) The property shall be used exclusively for public
25 purposes and if any fee, term, or condition for the use of the
26 property is imposed on members of the public, or if any of those
27 fees, terms, or conditions are waived for use of this property,

1 resident and nonresident members of the public shall be subject
2 to the same fees, terms, conditions, and waivers.

3 (b) Upon termination of the public purpose use described in
4 subdivision (a) or in the event of use for any nonpublic purpose,
5 the state may reenter and repossess the property, terminating the
6 grantee's estate in the property.

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

12 Sec. 4. The fair market value of the property described in
13 section 1 shall be determined by an appraisal prepared by an
14 independent appraiser.

15 Sec. 5. If the property is offered for sale at not less
16 than fair market value, the sale shall be conducted in a manner
17 designed to realize the highest price from the sale or the
18 highest value to the state. The sale of this property shall be
19 done in an open manner that utilizes 1 or more of the following:

- 20 (a) A competitive sealed bid.
21 (b) Real estate brokerage services.
22 (c) A public auction.

23 Sec. 6. A notice of a sealed bid, public auction sale, or
24 use of broker services regarding the property described in this
25 act shall be published at least once in a newspaper as defined in
26 section 1461 of the revised judicature act of 1961, 1961 PA 236,
27 MCL 600.1461, not less than 10 business days before the sale. A

1 notice shall describe the general location and size of the
2 property to be offered, highlights of the general terms of the
3 offer, and directions on how to get further information about the
4 property, as available, prior to the sale. The notice shall also
5 list the date, time, and place of the sale or bid opening.

6 Sec. 7. The description of the parcel in section 1 is
7 approximate and for purposes of the conveyance is subject to
8 adjustments as the state administrative board or the attorney
9 general considers necessary by survey or other legal
10 description.

11 Sec. 8. The net revenue received under this act shall be
12 deposited in the state treasury and credited to the general
13 fund. As used in this section, "net revenue" means the proceeds
14 from the sale of the property less reimbursement for any costs to
15 the department of management and budget associated with the sale
16 of the property, including the cost of securing discharge of
17 liens or encumbrances. If the revenue received under this act is
18 insufficient to reimburse the department of management and budget
19 for its costs of using outside vendors in surveying, appraising,
20 and closing the sale of the property offered in this act, those
21 costs shall be reimbursed by the department of state police
22 within 30 days after being presented an itemized bill for those
23 costs.

24 Sec. 9. The conveyance authorized by this act shall be by
25 quitclaim deed prepared and approved by the attorney general,
26 subject to easements and other encumbrances of record. The
27 quitclaim deed shall provide for both of the following:

1 (a) If the property is reentered and repossessed by the
2 state, the state shall have no liability for any improvements
3 made on the property.

4 (b) The state reserves all rights in aboriginal antiquities,
5 including mounds, earthworks, forts, burial and village sites,
6 mines, or other relics, including the right to explore and
7 excavate for the aboriginal antiquity by the state or its
8 authorized agents.

9 Sec. 10. The state shall not reserve the mineral rights to
10 the property conveyed under this act. However, the conveyance
11 authorized under this act shall provide that, if the purchaser or
12 any grantee develops any minerals found on, within, or under the
13 conveyed property, the purchaser or any grantee shall pay 1/2 of
14 the gross revenue generated from the development of the minerals
15 to the state, for deposit in the state general fund.

16 Sec. 11. If the property described in section 1 is not sold
17 pursuant to section 2 and fails to sell at a public sale for fair
18 market value, the director of the department of management and
19 budget with the concurrence of the state administrative board may
20 do any of the following:

21 (a) Order a reappraisal of the property.

22 (b) Withdraw the property from sale.

23 (c) Offer the property for sale for less than fair market
24 value.

25 Sec. 12. If the property is offered for sale pursuant to
26 section 11, the sale shall be conducted in a manner designed to
27 realize the highest price from the sale or the highest value to

1 the state.