

SENATE BILL No. 1297

June 15, 2004, Introduced by Senator CROPSEY and referred to the Committee on Appropriations.

A bill to authorize the state administrative board to convey certain state owned property in Isabella 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, may convey, for not less than fair market value, all or
3 portions of state owned property now under the jurisdiction of
4 the department of state police and located in the city of Mount
5 Pleasant, Isabella county, Michigan, and further described as
6 follows:
7 Commencing at a point 445.85 feet North of the intersection of
8 the North line of Pickard Street and the West line of Mission

1 street thence Southerly along the West line of Mission Street one
2 hundred feet (100 feet) thence West one hundred thirty two feet
3 (132 feet) thence North one hundred feet (100 feet) thence East
4 about one hundred thirty two feet (132 feet) to the place of
5 beginning.

6 Sec. 2. Before offering the property described in section 1
7 for public sale, the director of the department of management and
8 budget shall first offer the property for sale for less than fair
9 market value to the local units of government in which the
10 property is located. In order to exercise its right to purchase
11 the property under this section, a local government must enter
12 into a purchase agreement within 60 days after the date of the
13 offer and must complete the purchase within 120 days after the
14 date of the offer.

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

17 (a) The property shall be used exclusively for public
18 purposes and if any fee, term, or condition for the use of the
19 property is imposed on members of the public, or if any of those
20 fees, terms, or conditions are waived for use of this property,
21 resident and nonresident members of the public shall be subject
22 to the same fees, terms, conditions, and waivers.

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

27 (c) If the grantee disputes the state's exercise of its

1 right of reentry and fails to promptly deliver possession of the
2 property to the state, the attorney general, on behalf of the
3 state, may bring an action to quiet title to, and regain
4 possession of, the property.

5 Sec. 4. The fair market value of the property described in
6 section 1 shall be determined by an appraisal prepared by an
7 independent appraiser.

8 Sec. 5. If the property described in section 1 is offered
9 for sale at not less than fair market value, the sale shall be
10 conducted in a manner designed to realize the highest price from
11 the sale or the highest value to the state. The sale of this
12 property shall be done in an open manner that utilizes 1 or more
13 of the following:

- 14 (a) A competitive sealed bid.
- 15 (b) Real estate brokerage services.
- 16 (c) A public auction.

17 Sec. 6. A notice of a sealed bid, public auction sale, or
18 use of broker services regarding the property described in
19 section 1 shall be published at least once in a newspaper as
20 defined in section 1461 of the revised judicature act of 1961,
21 1961 PA 236, MCL 600.1461, not less than 10 business days before
22 the sale. A notice shall describe the general location and size
23 of the property to be offered, highlights of the general terms of
24 the offer, and directions on how to get further information about
25 the property, as available, prior to the sale. The notice shall
26 also list the date, time, and place of the sale or bid opening.

27 Sec. 7. The description of the parcel in section 1 is

1 approximate and for purposes of the conveyance is subject to
2 adjustments as the state administrative board or the attorney
3 general considers necessary by survey or other legal
4 description.

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

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

22 (a) If the property is reentered and repossessed by the
23 state, the state shall have no liability for any improvements
24 made on the property.

25 (b) The state shall reserve all rights in aboriginal
26 antiquities, including mounds, earthworks, forts, burial and
27 village sites, mines, or other relics, including the right to

1 explore and excavate for the aboriginal antiquity by the state or
2 its authorized agents.

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

10 Sec. 11. The director of the department of management and
11 budget may do any of the following regarding the property
12 described in section 1 when it is determined by the director to
13 be in the best interest of the state:

14 (a) Order a reappraisal of the property.

15 (b) Withdraw the property from sale.

16 (c) Offer the property for sale for less than the fair
17 market value, reserving reversionary interest or receiving other
18 benefits as the director finds to be in the best interest of this
19 state with the concurrence of the state administrative board.