

**SUBSTITUTE FOR**

**SENATE BILL NO. 566**

(As amended, September 22, 2005)

<<A bill to authorize the state administrative board to convey certain parcels of state owned property in Wayne county; to prescribe conditions for the conveyances; to prescribe certain powers and duties of certain state departments and agencies; and to provide for disposition of revenue derived from the conveyances.>>

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. (1) The state administrative board, on behalf of the  
2 state, may convey by quitclaim deed to Plymouth township, in Wayne  
3 county, for consideration of \$1.00, all or portions of certain  
4 property now under the jurisdiction of the department of  
5 corrections and located in Plymouth township, Wayne county,  
6 Michigan, and further described as follows:

1 A parcel of land in the northeast quarter of section 20, Plymouth  
2 Township, Wayne County, Michigan, Town 1 South, Range 8 East,  
3 described as: commencing at the N 1/4 corner of said section 20;  
4 thence S89°45'02"E 1119.14 feet on the north line of said section  
5 to the point of beginning of this description; thence continuing on  
6 said north line S89°45'02"E 50.00 feet; thence S01°03'21"W 225.00  
7 feet; thence S89°45'02"E 150.00 feet to the east line of a parcel  
8 recorded at Liber 22436, Page 520; thence S01°03'21"W 200.00 feet  
9 on said east line; thence N89°45'02"W 200.00 feet; thence  
10 N01°03'21"E 425.00 feet to the point of beginning, containing 1.18  
11 acres, more or less.

12 (2) The description of the parcel in this section is  
13 approximate and for purposes of the conveyance is subject to  
14 adjustments as the state administrative board or the attorney  
15 general considers necessary by survey or other legal description.  
16 The property described in this section includes all surplus,  
17 salvage, and scrap property or equipment.

18 (3) The department of attorney general shall approve as to  
19 legal form the quitclaim deed authorized by this section.

20 (4) The conveyance authorized by this section shall provide  
21 for all of the following:

22 (a) The property shall be used exclusively for public  
23 purposes, including, but not limited to, the construction of a  
24 water tower, and if any fee, term, or condition for the use of the  
25 property is imposed on members of the public, or if any of those  
26 fees, terms, or conditions are waived for use of this property, all  
27 members of the public shall be subject to the same fees, terms,

1 conditions, and waivers.

2 (b) In the event of an activity inconsistent with subdivision  
3 (a), the state may reenter and repossess the property, terminating  
4 the grantee's or successor's estate in the property.

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

10 (d) If the state reenters and repossesses the property, the  
11 state shall not be liable to reimburse any party for any  
12 improvements made on the property.

13 (5) The state shall not reserve oil, gas, or mineral rights to  
14 the property conveyed under this section. However, the conveyance  
15 authorized under this section shall provide that, if the purchaser  
16 or any grantee develops any oil, gas, or minerals found on, within,  
17 or under the conveyed property, the purchaser or any grantee shall  
18 pay the state 1/2 of the gross revenue generated from the  
19 development of the oil, gas, or minerals. This payment shall be  
20 deposited in the natural resources trust fund.

21 (6) The state reserves all aboriginal antiquities, including  
22 mounds, earthworks, forts, burial and village sites, mines, or  
23 other relics lying on, within, or under the property conveyed under  
24 this section, with power to the state and all others acting under  
25 its authority to enter the property for any purpose related to  
26 exploring, excavating, and taking away the aboriginal antiquities.

27 (7) Subject to the state's right to reenter and repossess the

1 property under subsection (4), if the grantee intends to convey the  
2 property conveyed under this section within 3 years after the  
3 conveyance from the state, the grantee shall provide notice to the  
4 director of the department of management and budget of its intent  
5 to offer the property for sale. The department of management and  
6 budget shall retain a right to first purchase the property at the  
7 original sale price, plus the value of any improvements made to the  
8 property as determined by an independent fee appraiser, within 90  
9 days after the notice. If the state waives its first refusal right,  
10 the grantee shall pay to the state 40% of the difference between  
11 the sale price of the conveyance from the state and the sale price  
12 of the grantee's subsequent sale or sales to a third party.

13 (8) All state agencies and departments shall cooperate fully  
14 with the state administrative board to facilitate the performance  
15 of its duties, powers, and responsibilities under this section. The  
16 state administrative board may require a state agency or department  
17 to prepare or record any documents necessary to evidence the  
18 conveyance of property under this section.

19 (9) The net revenue received from the sale of property under  
20 this section shall be deposited in the state treasury and credited  
21 to the general fund. As used in this subsection, "net revenue"  
22 means the proceeds from the sale of the property less reimbursement  
23 for any costs to the state associated with the sale of property,  
24 including, but not limited to, employee wages, salaries, and  
25 benefits associated with administrative personnel; costs of reports  
26 and studies and other materials necessary to the preparation of  
27 sale; environmental remediation; legal fees; and any litigation

1 related to the conveyance of the property.

2       Sec. 2. (1) The state administrative board, on behalf of the  
3 state, may convey by quitclaim deed for not less than fair market  
4 value all or portions of certain state owned property now under the  
5 jurisdiction of the department of corrections, commonly known as  
6 western Wayne correctional facility, and located in Plymouth  
7 township, Wayne county, Michigan, and more particularly described  
8 as follows:

9 A parcel of land in the N 1/2 of section 20, T1S - R8E Plymouth  
10 Township, Wayne County, Michigan, more particularly described as  
11 beginning at the NW corner of said section 20; thence N89°50'10"E  
12 2650.86 feet on the north line of said section to the N 1/4 corner  
13 of said section; thence continuing on said north line S89°45'02"E  
14 1319.14 feet; thence S01°03'21"W 2532.18 feet to the northerly  
15 right of way of the Chesapeake and Ohio Railroad; thence along said  
16 northerly right of way for the following four (4) courses:

17       1) 116.58 feet on a curve to the right with a radius of  
18 2596.27 feet, a central angle of 02°34'22" and a long chord bearing  
19 and distance of N56°44'27"W 116.57 feet

20       2) N55°27'04"W 1052.13 feet

21       3) 672.28 feet on a curve to the left with a radius of 3889.51  
22 feet, a central angle of 09°54'12" and a long chord bearing and  
23 distance of N60°24'17"W 671.45 feet

24       4) N65°21'16"W 2614.21 feet to the west line of said section  
25 20; thence N00°05'01"E 447.57 feet on said west line to the point  
26 of beginning, containing 127.27 acres, more or less.

27 EXCEPT a parcel of land described as commencing at the N 1/4 corner

1 of said section 20; thence S89°45'02"E 1119.14 feet on the north  
2 line of said section to the point of beginning of this description;  
3 thence continuing on said north line S89°45'02"E 50.00 feet; thence  
4 S01°03'21"W 225.00 feet; thence S89°45'02"E 150.00 feet to the east  
5 line of a parcel recorded at Liber 22436, Page 520; thence  
6 S01°03'21"W 200.00 feet on said east line; thence N89°45'02"W  
7 200.00 feet; thence N01°03'21"E 425.00 feet to the point of  
8 beginning, containing 1.18 acres, more or less.

9 Subject to a 60-foot wide easement adjacent and parallel to the  
10 west and north section lines for roadway purposes.

11 (2) The description of the property in this section is  
12 approximate and for purposes of the conveyance is subject to  
13 adjustments as the state administrative board or the attorney  
14 general considers necessary by survey or other legal description.  
15 The property described in this section includes all surplus,  
16 salvage, and scrap property or equipment.

17 (3) The fair market value of the property described in this  
18 section shall be determined by an appraisal prepared for the  
19 department of management and budget by an independent appraiser.

20 (4) The department of attorney general shall approve as to  
21 legal form the quitclaim deed authorized by this section.

22 (5) The department of management and budget shall take the  
23 necessary steps to prepare to convey the property described in this  
24 section using any of the following at any time:

25 (a) Competitive bidding designed to realize the best value to  
26 the state, as determined by the department of management and  
27 budget.

1 (b) A public auction designed to realize the best value to the  
2 state, as determined by the department of management and budget.

3 (c) Use of real estate brokerage services designed to realize  
4 the best value to the state, as determined by the department of  
5 management and budget.

6 (d) Offer the property for sale for fair market value to a  
7 local unit or units of government.

8 (e) Offer the property for sale for less than fair market  
9 value to a local unit or units of government subject to subsection  
10 (6).

11 (6) Any conveyance to a local unit of government authorized by  
12 subsection (5)(e) shall provide for all of the following:

13 (a) The property shall be used exclusively for public purposes  
14 and if any fee, term, or condition for the use of the property is  
15 imposed on members of the public, or if any of those fees, terms,  
16 or conditions are waived for use of this property, all members of  
17 the public shall be subject to the same fees, terms, conditions,  
18 and waivers.

19 (b) In the event of an activity inconsistent with subdivision  
20 (a), the state may reenter and repossess the property, terminating  
21 the grantee's or successor's estate in the property.

22 (c) If the grantee or successor disputes the state's exercise  
23 of its right of reentry and fails to promptly deliver possession of  
24 the property to the state, the attorney general, on behalf of the  
25 state, may bring an action to quiet title to, and regain possession  
26 of, the property.

27 (d) If the state reenters and repossesses the property, the

1 state shall not be liable to reimburse any party for any  
2 improvements made on the property.

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

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

17 (9) Subject to the state's right to reenter and repossess the  
18 property under subsection (6), if a local unit of government  
19 intends to convey the property conveyed under this section within 3  
20 years after the conveyance from the state, the local unit of  
21 government shall provide notice to the director of the department  
22 of management and budget of its intent to offer the property for  
23 sale. The department of management and budget shall retain a right  
24 to first purchase the property at the original sale price, plus the  
25 value of any improvements made to the property as determined by an  
26 independent fee appraiser, within 90 days after the notice. If the  
27 state waives its first refusal right, the local unit of government

1 shall pay to the state 40% of the difference between the sale price  
2 of the conveyance from the state and the sale price of the local  
3 unit of government's subsequent sale or sales to a third party.

4 (10) All state agencies and departments shall cooperate fully  
5 with the state administrative board to facilitate the performance  
6 of its duties, powers, and responsibilities under this section. The  
7 state administrative board may require a state agency or department  
8 to prepare or record any documents necessary to evidence the  
9 conveyance of property under this section.

10 (11) The net revenue received from the sale of property under  
11 this section shall be deposited in the state treasury and credited  
12 to the general fund. As used in this subsection, "net revenue"  
13 means the proceeds from the sale of the property less reimbursement  
14 for any costs to the state associated with the sale of property,  
15 including, but not limited to, employee wages, salaries, and  
16 benefits associated with administrative personnel; costs of reports  
17 and studies and other materials necessary to the preparation of  
18 sale; environmental remediation; legal fees; and any litigation  
19 related to the conveyance of the property.