

SUBSTITUTE FOR
SENATE BILL NO. 1133

A bill to authorize the state administrative board to convey certain parcels of state-owned property in Washtenaw 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. (1) The state administrative board, on behalf of this
2 state, may convey by quitclaim deed all or portions of certain
3 state-owned property under the jurisdiction of the department of
4 state police, commonly known as the Ypsilanti state police post #26
5 facility, located in the township of Ypsilanti, Washtenaw county,

1 Michigan, and further described as follows:

2 That part of the Southwest 1/4 of Section 16, Town 3 South, Range 7
3 East, Ypsilanti Township, Washtenaw County, Michigan, described as
4 beginning at a point distant North 3° 10' 40" West, 960.96 feet and
5 South 72° 21' 20" West, 1396.20 feet from the South 1/4 corner of
6 said Section 16, and proceeding thence South 72° 21' 20" West,
7 600.00 feet; thence North 8° 24' 20" East along the centerline of
8 South Huron Street, 300.00 Feet; thence North 72° 21' 20" East
9 600.00 feet; thence South 8° 24' 20" West, 300.00 feet to the Point
10 of Beginning. The property described in this subsection is subject
11 to easements, rights-of-way, and restrictions of record, if any.

12 (2) The description of the property in subsection (1) 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 (3) The property described in subsection (1) includes all
17 surplus, salvage, and scrap property or equipment remaining on the
18 property as of the date of the conveyance.

19 (4) The fair market value of the property described in
20 subsection (1) shall be determined by an appraisal prepared for the
21 department by an independent appraiser.

22 (5) The director of the department shall first offer the
23 property described in subsection (1) for sale for \$1.00 to the
24 local units of government in which the property is located. To
25 exercise its right to purchase the property under this subsection,
26 a local unit of government shall complete the purchase within 180
27 days after the effective date of this act. Conveyance of any

1 portion of the property for \$1.00 is subject to the conditions
2 prescribed in subsections (7) and (8).

3 (6) If the property described in subsection (1) or any portion
4 thereof is not conveyed pursuant to subsection (5), the department
5 shall take the necessary steps to prepare to convey the remaining
6 property using any of the following at any time:

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

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

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

13 (d) Offering the property for sale for fair market value to a
14 local unit or units of government.

15 (e) Offering the property for sale for less than fair market
16 value to a local unit or units of government subject to subsections
17 (7) and (8).

18 (7) A conveyance for less than fair market value authorized by
19 subsection (5) or (6)(e) shall provide for all of the following:

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

26 (b) If the provision of the conveyance required under
27 subdivision (a) is violated, this state may reenter and repossess

1 the property, terminating the grantee's or successor's estate in
2 the property.

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

8 (d) If this state reenters and repossesses the property, this
9 state is not liable to reimburse any party for any improvements
10 made on the property.

11 (e) If requested, the grantee shall reimburse the department
12 for costs necessary to prepare the property for conveyance.

13 (8) If the property is conveyed pursuant to subsection (5) or
14 (6)(e) and if the local unit of government intends to convey the
15 property within 10 years after the conveyance under subsection (5)
16 or (6)(e), the local unit shall provide notice to the department of
17 its intent to offer the property for sale. The department shall
18 retain a right to first purchase the property at the original sale
19 price within 90 days after the notice is received. If this state
20 repurchases the property, this state is not liable to any party for
21 improvements to, or liens placed on, the property. If this state
22 waives its right to first purchase the property, the local unit of
23 government shall pay to this state 40% of the difference between
24 the sale price of the conveyance from this state under subsection
25 (5) or (6)(e) and the sale price of the local unit's subsequent
26 sale or sales to a third party.

27 (9) The department of attorney general shall approve as to

1 legal form the quitclaim deed authorized by this section.

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

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

16 (12) Net revenue shall be deposited in the state treasury and
17 credited to the general fund.

18 (13) As used in this section:

19 (a) "Department" means the department of technology,
20 management, and budget.

21 (b) "Net revenue" means the proceeds from the sale of the
22 property less reimbursement for any costs to this state associated
23 with the sale of the property, including, but not limited to,
24 administrative costs, including employee wages, salaries, and
25 benefits; costs of reports and studies and other materials
26 necessary to the preparation of sale; environmental remediation;
27 legal fees; and any litigation related to the conveyance of the

1 property.