

**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, to be used exclusively for public use, subject to
11 subsection (10). If a fee, term, or condition is imposed on members
12 of the public for use of the property, or if such a fee, term, or
13 condition is waived, all members of the public who are residents of
14 this state must be subject to the same fees, terms, conditions, and
15 waivers. The public use restriction must be included in the deed
16 from this state to the city of Saginaw and in the deed from the
17 city of Saginaw to Delta College.

18 (b) If the city of Saginaw for any reason does not convey the
19 property to Delta College under subdivision (a) by September 30,
20 2018, title to the property automatically reverts to this state.

21 (c) If Delta College intends to convey the property, Delta
22 College must first offer the property for sale, in writing, to this
23 state, which may purchase the property at the original sale price.
24 Delta College shall provide this state 120 days to consider
25 reacquiring the property. If this state agrees to reacquire the
26 property, this state is not liable to any person for improvements
27 to or liens placed on the property. If this state declines to

1 reacquire the property, the public use restrictions described in
2 subdivision (a) remain in effect.

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

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

9 (5) Real property conveyed under this section includes all
10 surplus, salvage, and personal property or equipment remaining on
11 the property on the date of the conveyance.

12 (6) This state shall not reserve oil, gas, or mineral rights
13 to property conveyed under this section. However, the conveyance
14 authorized under this act must provide that, if the grantee or any
15 successor develops any oil, gas, or minerals found on, within, or
16 under the conveyed property, the grantee or any successor must pay
17 this state 1/2 of the gross revenue generated from the development
18 of the oil, gas, or minerals. A payment under this subsection must
19 be deposited in the general fund.

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

27 (8) The department of technology, management, and budget may

1 require a grantee of property conveyed under this section to record
2 the instrument of conveyance with the appropriate register of deeds
3 and provide the department of technology, management, and budget
4 with a recorded copy of the recorded instrument.

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

9 (10) If property conveyed under this section is used in a
10 manner that violates any of the restrictions imposed under
11 subsection (3), (6), or (7), this state may reenter and take the
12 property, terminating the grantee's or any successor's estate in
13 the property. An action to regain possession of the property under
14 this section may be brought and maintained by the attorney general
15 on behalf of this state.

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

21 (12) As used in this section:

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

1 costs related to the conveyance.

2 (b) "Public use" means, subject to subdivision (c), actual use
3 of the property by members of the public or actual use by the unit
4 of local government for any of the following:

5 (i) Publicly owned and operated correctional facilities.

6 (ii) Law enforcement purposes.

7 (iii) Emergency management response purposes.

8 (iv) Public educational use.

9 (v) Public transportation.

10 (vi) Public parks and recreational areas.

11 (vii) Public health uses.

12 (viii) Wildlife conservation or restoration.

13 (c) "Public use" does not include use by a for-profit
14 enterprise or any use that is closed to the public.