

SENATE BILL No. 1118

September 5, 2018, Introduced by Senator HANSEN and referred to the Committee on Appropriations.

A bill to authorize the department of technology, management, and budget to convey or transfer state-owned property in Muskegon County; to prescribe conditions for the conveyance; to provide for the powers and duties of certain state departments in regard to the property; and to provide for the disposition of revenue derived from the conveyance.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The department of technology, management, and
2 budget, on behalf of this state, may convey by quitclaim deed or
3 transfer by affidavit of jurisdictional transfer all or portions of
4 state-owned property now under the jurisdiction of the department
5 of corrections. The property is described as follows:

6 (a) Parcel 1: Lots 44 to 48, both inclusive, Port City

1 Industrial Center No. 4, part of the Southeast 1/4 of Section 34
2 and the Southwest 1/4 of Section 35, Town 10 North, Range 16 West,
3 City of Muskegon, Muskegon County, Michigan, as recorded in Liber
4 20 of Plats, Pages 53 to 55 inclusive, Muskegon County Records.

5 (b) Parcel 2: Lots 59 to 69, both inclusive, Port City
6 Industrial Center No. 6, part of the Southwest 1/4 and part of the
7 Southeast 1/4 of Section 35, Town 10 North, Range 16 West, City of
8 Muskegon, Muskegon County, Michigan, as recorded in Liber 22 of
9 Plats, Pages 5 to 8 inclusive, Muskegon County Records.

10 (c) Parcel 3: The Northwest 1/4 of the Northeast 1/4 of
11 Section 2, Town 9 North, Range 16 West, Fruitport Township,
12 Muskegon County, Michigan, except railroad right of way; also
13 described as: (a) beginning at the Northeast corner of the
14 Northwest 1/4 of Northeast 1/4 of said Section 2; thence South 2
15 degrees 39 minutes West, 1133.35 feet along the East 1/8th line of
16 said Section 2; thence North 70 degrees 46 minutes West, 1378.40
17 feet along the Northerly line of land that was conveyed to
18 Consolidated Rail Corporation; thence North 2 degrees 01 minute
19 East, 674.89 feet along the North and South quarter line of said
20 Section 2; thence North 89 degrees 53 minutes East along the North
21 line of said Northwest 1/4 of Northeast 1/4 to the place of
22 beginning; and (b) Beginning at a point on the North and South
23 quarter line of said Section 2 which is South 2 degrees 01 minute
24 West 779.59 feet from the North quarter corner of said Section 2;
25 thence South 70 degrees 46 minutes East, 1377.18 feet along the
26 Southerly line of land that was conveyed to Consolidated Rail
27 Corporation; thence South 2 degrees 39 minutes West, 137.15 feet

1 along the East 1/8th line of said Section 2; thence North 89
2 degrees 49 minutes 40 seconds West, 1314.65 feet along the
3 centerline of Broadway Avenue and the North 1/8th line of said
4 Section 2; thence North 2 degrees 01 minutes East, 587.04 feet
5 along the North and South quarter line of said Section 2 to the
6 Point of Beginning.

7 (2) The department of technology, management, and budget shall
8 not convey property under this section unless the conveyance and
9 the terms of the conveyance have been approved by the state
10 administrative board.

11 (3) The description of the property in subsection (1) is
12 approximate and, for purposes of the conveyance, is subject to
13 adjustment as the department of technology, management, and budget
14 or the attorney general considers necessary.

15 (4) Real property conveyed or transferred under this section
16 includes all surplus, salvage, and personal property or equipment
17 remaining on the property on the date of the conveyance or
18 transfer.

19 (5) The department of corrections is responsible for all
20 expenses of maintaining the property described in subsection (1)
21 until the time of conveyance or transfer.

22 (6) The department of attorney general shall approve as to
23 legal form all deeds or affidavits of jurisdictional transfer
24 authorized by this section.

25 (7) The department of technology, management, and budget may
26 transfer the property described in subsection (1), with or without
27 consideration, through jurisdictional transfer to another state

1 agency. If property is transferred under this subsection, the
2 transfer must be made by an affidavit of jurisdictional transfer in
3 recordable form rather than a quitclaim deed.

4 (8) The department of technology, management, and budget may
5 transfer all or portions of the property described in subsection
6 (1) to the Michigan land bank fast track authority established
7 under section 15 of the land bank fast track act, 2003 PA 258, MCL
8 124.765. For properties or portions of properties conveyed to the
9 Michigan land bank fast track authority, the Michigan land bank
10 fast track authority shall do both of the following:

11 (a) Convey the property in accordance with the land bank fast
12 track act, 2003 PA 258, MCL 124.751 to 124.774.

13 (b) Deposit the net revenue received by this state or the
14 Michigan land bank fast track authority from the sale of property
15 under this subsection into the land bank fast track fund.

16 (9) The net revenue received from the sale of property under
17 this section must be deposited in the state treasury and credited
18 to the general fund, except as provided otherwise under subsection
19 (8).

20 (10) This state shall not reserve oil, gas, or mineral rights
21 to the property conveyed under this section. However, the
22 conveyance authorized under this section must provide that, if the
23 purchaser or any grantee develops any oil, gas, or minerals found
24 on, within, or under the conveyed property, the purchaser or any
25 grantee shall pay this state 1/2 of the gross revenue generated
26 from the development of the oil, gas, or minerals. This payment
27 must be deposited in the general fund.

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

7 (12) If property conveyed under this section was used by this
8 state as a historical monument, memorial, burial ground, park, or
9 protected wildlife habitat area, it must be maintained and
10 protected for that purpose in perpetuity in accordance with
11 applicable law.

12 (13) A conveyance under this section must contain restrictions
13 as provided in subsections (10) to (12). If the property is used
14 for any purpose that is inconsistent with any restrictions under
15 subsection (10), (11), or (12), this state may reenter and
16 repossess the property, terminating the grantee's or successor's
17 estate in the property.

18 (14) The department of technology, management, and budget may
19 require a grantee of a property conveyed under this section to
20 record the instrument of conveyance or jurisdictional transfer with
21 the applicable register of deeds and provide the department with a
22 recorded copy of the recorded instrument as a condition of closing.

23 (15) As used in this section, "net revenue" means the proceeds
24 from the sale of the property less reimbursement for any costs to
25 the department of technology, management, and budget or to the
26 Michigan land bank fast track authority associated with the sale of
27 property, including, but not limited to, administrative costs,

1 including employee wages, salaries, and benefits; costs of reports
2 and studies and other materials necessary to the preparation of
3 sale; environmental remediation; legal fees; and any litigation
4 costs related to the conveyance of the property.