

**SUBSTITUTE FOR
HOUSE BILL NO. 4938**

A bill to authorize the state administrative board to convey state-owned real property in Kent County; to prescribe conditions for the conveyance; to provide for powers and duties of state departments regarding the property; and to provide for disposition of the revenue 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 or affidavit of jurisdictional
3 transfer all or portions of state-owned property now under the
4 jurisdiction of the department of state police, located at 345
5 Northland Drive, NE, city of Rockford, county of Kent, Michigan,
6 which is further described as follows:

7 Lots 73, 74, 87, and 88 of the Wolverine Addition to the city

1 of Rockford according to the recorded plat thereof, consisting of
2 approximately 0.586 acre in area, more or less, and subject to any
3 easements, rights-of-way, or other restrictions of record.

4 (2) The property description in subsection (1) is approximate
5 and subject to possible adjustment by a professional survey
6 conducted or otherwise approved by the department of technology,
7 management, and budget.

8 (3) The property to be conveyed or transferred under this act
9 includes all improvements on the property and all surplus, salvage,
10 and scrap property or equipment remaining on the property on the
11 date of the conveyance.

12 (4) The department of state police is responsible for all due
13 diligence duties and expenses required for prudently and properly
14 maintaining the property until the time of the conveyance or
15 jurisdictional transfer under this act.

16 (5) The department of attorney general shall approve as to
17 legal form a deed or affidavit of jurisdictional transfer
18 authorized by this act.

19 (6) The fair market value of property conveyed under this act
20 must be determined as needed to facilitate a fair market value
21 conveyance by an independent fee appraisal prepared for the
22 department of technology, management, and budget or by an appraiser
23 employed by this state.

24 (7) The department of technology, management, and budget may
25 take the necessary steps to convey the property described in
26 subsection (1) using any of the following measures:

27 (a) A publicly disclosed competitive method of sale, selected
28 to realize the fair market value to this state, as determined by
29 the department of technology, management, and budget.

1 (b) Offering the property for sale for fair market value to a
2 local unit or units of government.

3 (c) Transferring the property, with or without consideration,
4 through jurisdictional transfer to another executive branch agency
5 or this state. A property transfer under this subdivision must be
6 by an affidavit of jurisdictional transfer in recordable form, not
7 by quitclaim deed.

8 (d) Trading some or all the property for other real property
9 if the other real property is deemed by the department of
10 technology, management, and budget to be of reasonably equal value
11 to this state.

12 (e) Offering the property for sale for less than fair market
13 value to the local units of government in which the property is
14 located, subject to all of the following:

15 (i) The department of technology, management, and budget may
16 provide notice to each local unit of government of the surplus real
17 property's availability. The first local unit of government to make
18 an offer to purchase the property via registered mail must be given
19 the first opportunity to purchase the property. If an offer is
20 accepted by the department of technology, management, and budget,
21 the local unit of government shall enter into a purchase agreement
22 not later than 60 days after making the offer and complete the
23 conveyance not later than 180 days after the date of the offer. The
24 department of technology, management, and budget may extend the
25 period to complete the conveyance as needed. If there are competing
26 offers from local units of government, the department of
27 technology, management, and budget shall make a determination as to
28 what is in the best interests of this state in determining to whom
29 to convey the property.

1 (ii) The property must be used exclusively for public use for
2 30 years after the conveyance. If any fee, term, or condition for
3 the use of the property is imposed on members of the public, or if
4 any of those fees, terms, or conditions are waived for use of the
5 property, all members of the public must be subject to the same
6 fees, terms, conditions, and waivers. The public use restriction
7 must be included in the deed.

8 (iii) If the local unit of government intends to further convey
9 the property within 30 years after the conveyance, the unit must
10 first offer the property for sale, in writing, to this state, which
11 may purchase the property at the original sale price. This state
12 has 120 days to consider reacquiring the property. If this state
13 agrees to reacquire the property, this state is not liable to any
14 person for improvements to or liens placed on the property. If this
15 state declines to reacquire the property, the public use
16 restrictions described in subparagraph (ii) remain in effect.

17 (iv) If the property is conveyed for less than fair market
18 value under this subdivision and if the local unit of government
19 retains the property for 30 years after the date of the conveyance
20 this state, the public use restriction automatically terminates
21 subject to the restrictions in subsection (12).

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

27 (vi) If this state reenters and repossesses the property under
28 subparagraph (v), this state is not liable to reimburse any person
29 for any improvements made on the property nor to compensate any

1 person for any part of an unfulfilled contract or license issued
2 for the provision of goods or services on or for the property.

3 (vii) The department of technology, management, and budget may
4 require the local unit of government to reimburse this state at
5 closing for this state's demonstrably incurred costs as were
6 necessary to prepare the property for conveyance.

7 (8) The net revenue received from the sale of property under
8 this section must be deposited in the state treasury and credited
9 to the general fund.

10 (9) The department of technology, management, and budget may
11 require a grantee of property conveyed or transferred under this
12 act to record the instrument of conveyance or affidavit of
13 jurisdictional transfer with the Kent County register of deeds and
14 provide the department with a recorded copy of the recorded
15 instrument as a condition of closing.

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

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

1 (12) If property conveyed under this act was officially
2 designated or used by this state as a historical monument,
3 memorial, park, or protected wildlife habitat area, it must be
4 maintained and protected for that purpose in perpetuity in
5 accordance with applicable law.

6 (13) If property conveyed under this act is used for any
7 purpose that is inconsistent with a restriction under subsection
8 (7)(e)(ii), (10), (11), or (12), the state may reenter and repossess
9 the property, terminating the grantee's or successor's estate in
10 the property.

11 (14) As used this section:

12 (a) "Fair market value" means the highest estimated price the
13 property will bring if offered for sale on the open market,
14 allowing a reasonable time to find a purchaser who would buy with
15 knowledge of the property's possible uses.

16 (b) "Local unit of government" means the township, village,
17 city, county, school district, intermediate school district, or
18 community college district in which the property is located.

19 (c) "Net revenue" means the proceeds from the sale of the
20 property less reimbursement for any costs to the department of
21 technology, management, and budget associated with the sale of
22 property, including, but not limited to, administrative costs,
23 including employee wages, salaries, and benefits; costs of reports
24 and studies and other materials necessary to the preparation of
25 sale; costs of environmental remediation; legal fees; and the cost
26 of any litigation related to the conveyance of the property.

27 (d) "Public use" means, subject to subdivision (e), actual use
28 of the property by members of the public or actual use by the unit
29 of local government for any of the following:

- 1 (i) General government administration.
- 2 (ii) Publicly owned and operated correctional facilities.
- 3 (iii) Law enforcement purposes.
- 4 (iv) Emergency management response purposes.
- 5 (v) Public educational use.
- 6 (vi) Public transportation.
- 7 (vii) Public parks and recreational areas.
- 8 (viii) Public health uses.
- 9 (ix) Wildlife conservation or restoration.
- 10 (e) Public use does not include use by a for-profit enterprise
- 11 or any use that is closed to the public.