

SENATE BILL No. 1149

November 13, 2014, Introduced by Senator RICHARDVILLE and referred to the Committee on Committee of the Whole.

A bill to authorize the state administrative board to convey parcels of state-owned property in Ingham 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 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 state-owned
3 property now under the jurisdiction of the senate, commonly known
4 as the Farnum building, and located in the city of Lansing, county
5 of Ingham, and further described as follows:

6 PARCEL 1

7 The East 30 feet of the West 78 feet of the North 100 feet of
8 Lots 11 and 12 and the North 100 feet of the West 48 feet of Lots

1 11 and 12, Block 115, Original Plat of the City of Lansing, City of
2 Lansing, Ingham County, Michigan, according to the recorded plat
3 thereof.

4 PARCEL 2

5 The north 32 5/6 feet of Lot 10 and the South 21 feet of Lot
6 11, Block 115, Original Plat of the City of Lansing, City of
7 Lansing, Ingham County, Michigan, according to the recorded plat
8 thereof.

9 (2) The description of the property in subsection (1) is
10 approximate and, for purposes of the conveyance, is subject to
11 adjustments as the state administrative board or the attorney
12 general considers necessary by survey or other legal description.

13 (3) In conveying the property under subsection (1), the state
14 administrative board shall include all surplus, salvage, and scrap
15 property or equipment remaining on the property on the date of the
16 conveyance.

17 (4) The fair market value of the property described in
18 subsection (1) shall be determined by an appraisal prepared for the
19 department of technology, management, and budget by an independent
20 appraiser.

21 (5) The director of the department of technology, management,
22 and budget shall take the necessary steps to prepare to convey the
23 property described in subsection (1) using any of the following at
24 any time:

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

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

4 (c) Real estate brokerage services designed to realize the
5 best value to this state, as determined by the department of
6 technology, management, and budget.

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

9 (e) Conveying the property to the land bank fast track
10 authority established under the land bank fast track act, 2003 PA
11 258, MCL 124.751 to 124.774.

12 (6) The department of attorney general must approve as to
13 legal form the quitclaim deed authorized by this section.

14 (7) In making the conveyance under subsection (1), the state
15 administrative board shall not reserve to this state oil, gas, or
16 mineral rights to the property conveyed under this section.
17 However, the conveyance authorized under this section shall provide
18 that, if the purchaser or any grantee develops any oil, gas, or
19 minerals found on, within, or under the conveyed property, the
20 purchaser or any grantee shall pay this state 1/2 of the gross
21 revenue generated from the development of the oil, gas, or
22 minerals. A payment under this subsection shall be deposited in the
23 general fund.

24 (8) In making the conveyance under subsection (1), the state
25 administrative board shall reserve all aboriginal antiquities,
26 including mounds, earthworks, forts, burial and village sites,
27 mines, or other relics lying on, within, or under the property with

1 power to this state and all others acting under its authority to
2 enter the property for any purpose related to exploring,
3 excavating, and taking away the aboriginal antiquities.

4 (9) The revenue received from the sale of property under this
5 section shall be disbursed to reimburse the department of
6 technology, management, and budget for expenses incurred by the
7 senate for lease, purchase, or transition costs related to
8 relocation from the Farnum building as described in section 896 of
9 article VIII of 2014 PA 252 and costs incurred by the department of
10 technology, management, and budget related to the sale of the
11 property, related expenses, and other ongoing costs including, but
12 not limited to, administrative costs, including employee wages,
13 salaries, and benefits; costs of appraisals, reports, studies, and
14 other materials necessary to the preparation for sale;
15 environmental remediation; legal fees; ongoing costs for the
16 maintenance, utilities, security, and other ongoing costs
17 associated with maintaining the building while vacant; and any
18 costs incurred in relation to any litigation related to the
19 conveyance of the property. Any remaining revenue shall be
20 deposited in the general fund.