

HOUSE BILL NO. 5820

June 18, 2024, Introduced by Reps. Hoadley, Slagh, Borton, Kunse, Wilson, Martin, Neyer, Schuette, Cavitt, Markkanen, Bollin, Bezotte, Aragona, Beson, Maddock, O'Neal, Meerman, Bruck, Outman, BeGole, Rigas, Friske, Bierlein, Jaime Greene, Alexander, DeBoyer and VanderWall and referred to the Committee on Local Government and Municipal Finance.

A bill to authorize the department of technology, management, and budget to convey or transfer state-owned property in Arenac County; to prescribe conditions for the conveyance or transfer; 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. As used in this act:

2 (a) "Fair market value" means the highest estimated price that
3 the property will bring if offered for sale on the open market,

1 allowing a reasonable time to find a purchaser who would buy with
2 knowledge of the property's possible uses.

3 (b) "Net revenue" means the proceeds from the sale of the
4 property less reimbursement for any costs to the department of
5 technology, management, and budget associated with the sale,
6 including, but not limited to, administrative costs, including
7 employee wages, salaries, and benefits; costs of reports and
8 studies and other materials necessary to the preparation of sale;
9 environmental remediation; legal fees; and any litigation costs
10 related to the conveyance.

11 (c) "Public use" means, subject to subdivision (d), actual use
12 of the property by members of the public or actual use by the unit
13 of local government for any of the following:

- 14 (i) General government administration.
- 15 (ii) Publicly owned and operated correctional facilities.
- 16 (iii) Law enforcement purposes.
- 17 (iv) Emergency management response purposes.
- 18 (v) Public educational use.
- 19 (vi) Public transportation.
- 20 (vii) Public parks and recreational areas.
- 21 (viii) Public health uses.
- 22 (ix) Wildlife conservation or restoration.

23 (d) Public use does not include use by a for-profit enterprise
24 or any use that is closed to the public.

25 (e) "Unit of local government" means a township, village,
26 city, county, school district, intermediate school district,
27 community college district, or special purpose public authority
28 created by 1 or more units of local government to serve the public
29 interest under another act.

1 Sec. 2. (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 real property described in subsection (2) that is owned by this
5 state and under the jurisdiction of the department of corrections.

6 (2) The real property that may be conveyed under this act is
7 described as follows:

8 Parcel A

9 The SE 1/4 of the NE 1/4, Section 9, T18N, R4E, also described
10 as:

11 A parcel of land in the NE 1/4 of Section 9, T18N, R4E, (now
12 City of Standish) Arenac County, Michigan, and being more
13 specifically described as beginning at the E 1/4 corner of said
14 Section 9; th N86°56'10"W 1318.06 ft, on the E-W 1/4 line of said
15 Section 9 to the west line of the E 1/2 of the NE 1/4 of said
16 Section 9; th N02°26'24"E 1319.38 ft, on said west line to the
17 north line of said SE 1/4 of the NE 1/4 of said Section 9; th
18 S86°41'24"E 1322.10 ft, on said north line to the east line of said
19 Section 9; th S02°36'47"W 1313.66 ft; on said east line to the
20 point of beginning. The above described parcel contains 39.89
21 acres, more or less. All bearings are relative and references to
22 Standish Industrial Air Park No. 2.

23 PARCEL B

24 The W 1/2 of the NE 1/4, Section 9, T18N, R4E, EXCEPT
25 commencing at the SW corner of the SW 1/4 of the NE 1/4 of said
26 Section 9, th E 366 ft; th N 258 ft; th W 366 ft; th S 258 ft to
27 the Point of Beginning. Also described as:

28 A parcel of land in the NE 1/4 of Section 9, T18N, R4E, (now
29 City of Standish) Arenac County, Michigan, and being more

1 specifically described as beginning at the N 1/4 corner of said
 2 Section 9; th S86°26'44"E 1326.18 ft, on the North line of said
 3 Section 9 to the east line of the W 1/2 of the NE 1/4 of said
 4 Section 9; th S02°26'24"W 2638.75 ft, on said east line to the E-W
 5 1/4 line of said Section 9; th N86°56'10"W 952.07 ft, on the E-W
 6 1/4 of said Section 9; th N02°16'06"E 258.00 ft; th N86°56'10"W
 7 366.00 ft, to the N-S 1/4 line of said Section 9; th N02°16'06"E
 8 2392.20 ft, on said N-S 1/4 line to the point of beginning. The
 9 above described parcel contains 78.08 acres, more or less. All
 10 bearings are relative and references to Standish Industrial Air
 11 Park No. 2.

12 (3) The description of the property in subsection (2) is
 13 approximate and, for purposes of a conveyance or transfer under
 14 this act, may be adjusted as the department of technology,
 15 management, and budget or the department of attorney general
 16 considers necessary because of a survey or another legal
 17 description.

18 (4) The department of technology, management, and budget shall
 19 not convey or transfer property under this act unless the
 20 conveyance or transfer and the terms of the conveyance or transfer
 21 have been approved by the state administrative board.

22 Sec. 3. (1) The department of technology, management, and
 23 budget may take the necessary steps to convey or transfer real
 24 property described in section 2 using any of the following means:

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

28 (b) Offering the property for sale for fair market value to 1
 29 or more units of local government in which the property is located.

1 (c) Transferring the property to the land bank fast track
2 authority created under section 15 of the land bank fast track act,
3 2003 PA 258, MCL 124.765.

4 (d) Transferring the property, with or without consideration,
5 through jurisdictional transfer to another state agency. If
6 property is transferred under this subdivision, the transfer must
7 be made by an affidavit of jurisdictional transfer in recordable
8 form rather than a quitclaim deed.

9 (e) Exchanging some or all of the property for other real
10 property if the other real property is determined by the department
11 of technology, management, and budget to be of reasonably equal
12 value to this state.

13 (f) Offering the property for sale for less than fair market
14 value to 1 or more of the units of local government in which the
15 property is located, subject to the following conditions:

16 (i) The department may provide simultaneous electronic notice
17 to each unit of local government of the property's availability.
18 After giving any notice under this subparagraph, the department
19 shall give the first opportunity to purchase the property to the
20 first unit of local government to make an offer by registered mail
21 to purchase the property.

22 (ii) If a unit of local government makes an offer to purchase
23 the property that is accepted by the department of technology,
24 management, and budget, the unit of local government shall enter
25 into a purchase agreement within 60 days after making the offer and
26 complete the conveyance within 180 days after making the offer. The
27 department of technology, management, and budget may extend the
28 time to complete the conveyance as needed.

29 (iii) The property must be used exclusively for public use. If a

1 fee, term, or condition is imposed on members of the public for use
2 of the property, or if such a fee, term, or condition is waived,
3 all members of the public must be subject to the same fees, terms,
4 conditions, and waivers. The public use restriction must be
5 included in the deed.

6 (iv) If the unit of local government intends to convey the
7 property, the unit of local government must first offer the
8 property for sale, in writing, to this state, which may purchase
9 the property at the original sale price. The unit of local
10 government shall provide this state 120 days to consider
11 reacquiring the property. If this state agrees to reacquire the
12 property, this state is not liable to any person for improvements
13 to or liens placed on the property. If this state declines to
14 reacquire the property, the public use restrictions described in
15 subparagraph (ii) remain in effect.

16 (v) The department of technology, management, and budget may
17 require the unit of local government to reimburse this state at
18 closing for costs demonstrably incurred by this state that were
19 necessary to prepare the property for conveyance.

20 (2) If real property is to be sold for fair market value under
21 this section, the fair market value must be determined by an
22 independent fee appraisal prepared for the department of
23 technology, management, and budget, or by a professional licensed
24 appraiser who is an employee or contractor of this state.

25 Sec. 4. (1) A deed or affidavit of jurisdictional transfer
26 authorized by this act must be approved as to legal form by the
27 department of attorney general.

28 (2) Real property conveyed under this act includes all
29 surplus, salvage, and personal property or equipment remaining on

1 the property on the date of the conveyance.

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

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

17 (5) If property conveyed under this act was used by this state
18 as a historical monument, memorial, burial ground, park, or
19 protected wildlife habitat area, the grantee or any successor shall
20 maintain and protect the property for that purpose in perpetuity in
21 accordance with applicable law.

22 (6) If property conveyed under this act is used in a manner
23 that violates any of the restrictions imposed under section 3 or
24 this section, this state may reenter and take the property,
25 terminating the grantee's or any successor's estate in the
26 property. An action to regain possession of the property may be
27 brought and maintained by the attorney general on behalf of this
28 state.

29 (7) If this state reenters and repossesses property under

1 subsection (6), this state is not liable to reimburse any person
2 for any improvements made on the property or to compensate any
3 person for any part of an unfulfilled contract or license issued to
4 provide goods or services on or for the property.

5 Sec. 5. (1) The department of corrections is responsible for
6 all expenses of maintaining and securing the property to be
7 conveyed or transferred under this act until the time of
8 conveyance.

9 (2) The department of technology, management, and budget may
10 require a grantee of property conveyed under this act or recipient
11 under an affidavit of jurisdictional transfer to record the
12 instrument of conveyance or transfer with the appropriate register
13 of deeds and provide the department of technology, management, and
14 budget with a recorded copy of the recorded instrument.

15 (3) The department of technology, management, and budget shall
16 deposit the net revenue received from the sale of property under
17 this section in the state treasury. The state treasurer shall
18 credit the money deposited to the general fund.