

SENATE BILL NO. 1075

September 02, 2020, Introduced by Senator MCBROOM 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 Gogebic 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) Publicly owned and operated correctional facilities.

15 (ii) Law enforcement purposes.

16 (iii) Emergency management response purposes.

17 (iv) Public educational use.

18 (v) Public transportation.

19 (vi) Public parks and recreational areas.

20 (vii) Public health uses.

21 (viii) Wildlife conservation or restoration.

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

24 (e) "Unit of local government" means a township, village,
25 city, county, school district, intermediate school district, or
26 community college district.

27 Sec. 2. (1) The department of technology, management, and
28 budget, on behalf of this state, may convey by quitclaim deed or
29 transfer by affidavit of jurisdictional transfer all or portions of

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

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

5 Property located in Marenisco Township, Gogebic county,
6 Michigan, which is further described as follows:

7 Parcel 1

8 That part of Sections 8 and 17 in Township 45 North Range 43
9 West, Michigan Meridian, Gogebic County, Michigan, more
10 particularly described as follows.

11 Commencing at the brass cap monument at the southwest corner
12 of said Section 8; thence East, 3024.26 feet and South, 36.83 feet
13 to an aluminum monument stamped A.P. NO. 1 which is the point of
14 beginning; thence N 17° 41.7' W, 865.56 feet to an aluminum
15 monument stamped A.P. NO. 2; thence N 15° 12.6' E, 601.95 feet to
16 an aluminum monument stamped A.P. No. 3; thence N 35° 14.5' E,
17 438.88 thence N 37° 25.0' E, 548.16 feet to an aluminum monument
18 stamped A.P. NO. 5; thence S 87° 30.6' E, 463.59 feet to an
19 aluminum monument stamped A.P. NO. 6; thence S 19° 16.3' E, 2065.64
20 feet to an aluminum monument stamped A.P. NO. 7; thence S 58° 17.2'
21 W, 876.97 feet to an aluminum monument stamped NO. 8; thence N 75°
22 14.8' W, 910.05 feet to an aluminum monument stamped A.P. NO. 1
23 which is the point of beginning; Containing 70.40 acres, more or
24 less.

25 Parcel 2

26 Commencing at the Section corner common to Sections 8, 9, 16
27 and 17, Town 45 North, Range 43 West, also being the point of
28 beginning of this description; Thence South 00°21'47" East along
29 the Section line common to said Sections 16 and 17, a distance of

1 243.02 feet; thence due West, a distance of 1309.93 feet to a found
2 U.S.F.S. aluminum monument known as A.P.-8; thence continuing due
3 West, a distance of 675.24 feet; thence N 79°17'02" West, a
4 distance of 329.83 feet; thence South 88°44'30" West, a distance of
5 246.29 feet; thence North 20°12'15" West, a distance of 339.45
6 feet; thence North 13°11'41" West, a distance of 250.69 feet;
7 thence due North, a distance of 1811.85 feet; thence due East, a
8 distance of 1019.71 feet to a found U.S.F.S aluminum monument known
9 as A.P.-5 thence South 37°23'03" West, a distance of 548.16 feet to
10 a found U.S.F.S. aluminum monument known as A.P.-4; South 35°10'32"
11 West, a distance of 438.52 feet to a found U.S.F.S. aluminum known
12 as A.P.-3; thence South 15°10'41" West, a distance of 601.78 feet
13 to a found U.S.F.S. aluminum monument known as A.P.-2; thence South
14 17°43'37" East, a distance of 865.63 feet; thence South 75°16'58"
15 East, a distance of 909.56 feet to said A.P-8; thence North
16 58°15'02" East, a distance of 876.75 feet to a found U.S.F.S.
17 aluminum monument known as A.P.-7; thence North 19°18'32" West, a
18 distance of 1259.05 feet; thence North 22°50'07" East, a distance
19 of 140.73 feet; thence North 20°35'12" East, a distance of 189.09
20 feet; thence South 40°29'04" East, a distance of 362.72 feet;
21 thence South 42°07'72" West, a distance of 52.00 feet; thence South
22 30°55'10" East, a distance of 622.93 feet; thence South 55°02'39"
23 East, a distance of 419.14 feet to a point on the Section line
24 common to said Sections 8 and 9, a distance of 624.31 feet to the
25 point of beginning. Parcel contains 54.2 acres, more or less.

26 SUBJECT TO easements, if any, for established or existing
27 roads, highways, railroads and utilities, as set forth in Liber
28 310, Page 986 of the Gogebic County, Michigan land records.

29 RESERVING TO the United States of America, its successors and

1 assigns a right-of-way for Forest Road 8220, the easement being
2 sixty-six feet in width, lying thirty-three feet equally on each
3 side of the centerline.

4 Together with all tenements, hereditaments, and appurtenances
5 pertaining to said land.

6 (3) The description of the property in subsection (2) is
7 approximate and, for purposes of a conveyance or transfer under
8 this act, may be adjusted by a survey conducted or otherwise
9 approved by the department of technology, management, and budget.

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

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

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

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

22 (c) Transferring the property to the state land bank authority
23 created under section 15 of the land bank fast track act, 2003 PA
24 258, MCL 124.765, and renamed by Executive Reorganization Order No.
25 2019-3, MCL 125.1998.

26 (d) Transferring the property, with or without consideration,
27 through jurisdictional transfer to another state agency. If
28 property is transferred under this subdivision, the transfer must
29 be made by an affidavit of jurisdictional transfer in recordable

1 form rather than a quitclaim deed.

2 (e) Exchanging some or all of the property for other real
3 property if the other real property is determined by the department
4 of technology, management, and budget to be of reasonably equal
5 value to this state.

6 (f) Offering the property for sale for less than fair market
7 value to the units of local government in which the property is
8 located, subject to the following conditions:

9 (i) The department of technology, management, and budget may
10 provide notice to each unit of local government of the property's
11 availability. The department shall give the first opportunity to
12 purchase the property to the first unit of local government to make
13 an offer by registered mail to purchase the property.

14 (ii) If a unit of local government makes an offer to purchase
15 the property that is accepted by the department of technology,
16 management, and budget, the unit of local government shall enter
17 into a purchase agreement within 60 days after making the offer and
18 complete the conveyance within 180 days after making the offer. The
19 department of technology, management, and budget may extend the
20 time to complete the conveyance as needed.

21 (iii) If there are competing offers from units of local
22 government, the department of technology, management, and budget
23 shall determine what is in the best interests of this state in
24 determining which unit of local government to convey the property
25 to.

26 (iv) The property must be used exclusively for public use for
27 30 years after the conveyance. If a fee, term, or condition is
28 imposed on members of the public for use of the property, or if
29 such a fee, term, or condition is waived, all members of the public

1 must be subject to the same fees, terms, conditions, and waivers.
2 The public use restriction must be included in the deed.

3 (v) If the unit of local government intends to convey the
4 property within 30 years after the conveyance, the unit of local
5 government must first offer the property for sale, in writing, to
6 this state, which may purchase the property at the original sale
7 price. The unit of local government shall provide this state 120
8 days to consider reacquiring the property. If this state agrees to
9 reacquire the property, this state is not liable to any person for
10 improvements to or liens placed on the property. If this state
11 declines to reacquire the property, the public use restrictions
12 described in subparagraph (ii) remain in effect.

13 (vi) If the unit of local government retains the property for
14 30 years after the date of conveyance from this state, the public
15 use restrictions described in subparagraph (ii) automatically
16 terminate.

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

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

26 Sec. 4. (1) The department of attorney general shall approve
27 as to legal form a deed or affidavit of jurisdictional transfer
28 authorized by this act.

29 (2) Real property conveyed under this act includes all

1 improvements on the property and all surplus, salvage, and scrap
2 property or equipment remaining on the property on the date of the
3 conveyance.

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

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

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

25 (6) If property conveyed under this act is used in a manner
26 that violates any of the restrictions imposed under section 3 or
27 subsection (3), (4), or (5), this state may reenter and take the
28 property, terminating the grantee's or any successor's estate in
29 the property. If the grantee or successor disputes this state's

1 exercise of its right of reentry, an action to quiet title to and
2 regain possession of the property may be brought and maintained by
3 the attorney general on behalf of this state.

4 (7) If this state reenters and repossesses property under
5 subsection (6), this state is not liable to reimburse any person
6 for any improvements made on the property or to compensate any
7 person for any part of an unfulfilled contract or license issued to
8 provide goods or services on or for the property.

9 Sec. 5. (1) The department of corrections is responsible for
10 all due diligence duties and expenses required for prudently and
11 properly maintaining the property to be conveyed or transferred
12 under this act until the time of conveyance or jurisdictional
13 transfer.

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

20 (3) The department of technology, management, and budget shall
21 deposit the net revenue received from the sale of property under
22 this act in the state treasury. The state treasurer shall credit
23 the money deposited to the general fund.