

SENATE BILL No. 381

June 19, 2019, Introduced by Senator MCBROOM and referred to the Committee on Appropriations.

A bill to authorize the department of technology, management, and budget to convey state-owned property in Baraga County; to prescribe conditions for the conveyance; 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,
4 allowing a reasonable time to find a purchaser who would buy with
5 knowledge of the property's possible uses.

6 (b) "Net revenue" means the proceeds from the sale of the

1 property less reimbursement for any costs to the department of
2 technology, management, and budget associated with the sale,
3 including, but not limited to, administrative costs, including
4 employee wages, salaries, and benefits; costs of reports and
5 studies and other materials necessary to the preparation of sale;
6 environmental remediation; legal fees; and any litigation costs
7 related to the conveyance.

8 Sec. 2. (1) The department of technology, management, and
9 budget, on behalf of this state, may convey by quitclaim deed all
10 or portions of real property owned by this state that is under the
11 jurisdiction of the department of military and veterans affairs.

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

14 Property located in the Village of Baraga, Baraga County, Michigan,
15 described as the North 700 feet of Government Lot 3, Section 33,
16 T51N, R33W, lying between the D.S.S. & A. Railroad and US 41-A.

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

22 (4) The department of technology, management, and budget shall
23 not convey property under this act unless the conveyance and the
24 terms of the conveyance have been approved by the state
25 administrative board.

26 Sec. 3. (1) The department of technology, management, and
27 budget may take the necessary steps to convey real property

1 described in section 2 using either of the following means:

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

5 (b) Selling the property for less than fair market value to
6 the highest bidder if a publicly disclosed, competitive method of
7 sale as provided in subdivision (a) has been unsuccessful in
8 bringing an offer to purchase the property for fair market value
9 after being held open for 6 months or longer.

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

15 Sec. 4. (1) A deed authorized by this act must be approved as
16 to legal form by the department of attorney general.

17 (2) Real property conveyed under this act includes all
18 surplus, salvage, and personal property or equipment remaining on
19 the property on the date of the conveyance.

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

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

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

13 (6) If property conveyed under this act is used in a manner
14 that violates any of the restrictions imposed under subsection (3),
15 (4), or (5), this state may reenter and take the property,
16 terminating the grantee's or any successor's estate in the
17 property. An action to regain possession of the property may be
18 brought and maintained by the attorney general on behalf of this
19 state.

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

25 Sec. 5. (1) The department of military and veterans affairs is
26 responsible for all expenses of maintaining the property to be
27 conveyed under this act until the time of conveyance.

1 (2) The department of technology, management, and budget may
2 require a grantee of property conveyed under this act to record the
3 instrument of conveyance with the appropriate register of deeds and
4 provide the department of technology, management, and budget with a
5 recorded copy of the recorded instrument.

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