

SUBSTITUTE FOR
HOUSE BILL NO. 5340

A bill to amend 2002 PA 440, entitled

"An act to authorize the state administrative board to convey certain state owned property in Macomb county; to prescribe conditions for the conveyance; and to provide for disposition of the revenue from the conveyance,"

by amending sections 3, 4, 5, and 6.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. The fair market value of the property described in
2 section 1 shall be determined by an appraisal based on using the
3 property for providing services to ~~the~~ **individuals who are**
4 **mentally ill, aged, physically handicapped, substance abusers, or**
5 **developmentally disabled, ~~citizens~~ referred to collectively as**
6 **community-based services.**

7 Sec. 4. The property described in section 1 shall be
8 conveyed ~~for the purpose of providing outpatient services to~~
9 ~~indigent persons requiring community health services due to~~
10 ~~mental illness, aging, substance abuse, or developmental~~

1 ~~disability, and the deed conveying the property shall provide for~~
2 ~~both of the following:~~ to the Macomb-Oakland regional center,
3 inc., commonly known as MORC, at fair market value as determined
4 under section 3.

5 ~~(a) That the property shall be used exclusively for~~
6 ~~providing outpatient services to indigent persons requiring~~
7 ~~community health services due to mental illness, aging, substance~~
8 ~~abuse, or developmental disability, for a period of 50 years~~
9 ~~after the date of the conveyance and that upon termination of~~
10 ~~that use or use for any other purpose during that period, the~~
11 ~~state may reenter and repossess the property, terminating the~~
12 ~~grantee's estate in the property.~~

13 ~~—— (b) That if the grantee disputes the state's exercise of its~~
14 ~~rights of reentry and fails to promptly deliver possession of the~~
15 ~~property to the state, the attorney general, on behalf of the~~
16 ~~state, may bring an action to quiet title to, and regain~~
17 ~~possession of, the property.~~

18 Sec. 5. (1) The conveyance authorized by this act shall be
19 by quitclaim deed, and a right of first refusal agreement,
20 drafted by and approved by the attorney general.

21 (2) The quitclaim deed shall provide that if property is
22 subsequently offered for sale by the Macomb-Oakland regional
23 center for any purpose other than the provision of
24 community-based services, the state has the first right to
25 repurchase the property from the grantee, for a period of 90
26 days, for an amount equal to the price that the Macomb-Oakland
27 regional center paid to the state for the property.

1 Sec. 6. (1) The conveyance authorized under this act shall
2 provide that, if the property is subsequently sold by the
3 Macomb-Oakland regional center for any purpose other than the
4 provision of community-based services as defined in section 3,
5 and if the state has declined to exercise its first right to
6 repurchase the property under section 5, the Macomb-Oakland
7 regional center shall pay to the state both of the following
8 amounts:

9 (a) An amount equal to the fair market value of the property
10 according to an appraisal based on its highest and best use at
11 the time it was sold to the Macomb-Oakland regional center by the
12 state, less the sum of the following:

13 (i) The price the Macomb-Oakland regional center paid to the
14 state for the property.

15 (ii) Any amount expended by the Macomb-Oakland regional
16 center for new construction on the property.

17 (b) An amount equal to 50% of the price paid by the
18 subsequent purchaser to the Macomb-Oakland regional center for
19 the property, less the fair market value of the property
20 according to an appraisal based on its highest and best use at
21 the time it was sold to the Macomb-Oakland regional center by the
22 state.

23 (2) The state shall not reserve the mineral rights to the
24 property conveyed under this act. However, the conveyance
25 authorized under this act shall provide that if the purchaser or
26 any **subsequent** grantee develops any minerals found on, within, or
27 under the conveyed property, the purchaser or any grantee shall

- 1 pay 1/2 of that revenue to the state, for deposit in the state
- 2 general fund.