

SENATE BILL NO. 985

August 15, 2024, Introduced by Senator KLINEFELT and referred to the Committee on Transportation and Infrastructure.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 52706 (MCL 324.52706), as amended by 2012 PA 488.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 52706. (1) The department, the department of treasury, or
2 a state officer having charge of state land, may sell homestead,
3 tax, swamp, or primary school land to a public agency for a
4 forestry or recreational purpose, or both, at a price set by the
5 department, the department of treasury, or the state officer.

1 However, the amount of land sold ~~shall~~**must** not exceed the amount
2 that may be necessary for the public agency, and any land that is
3 sold ~~shall~~**must** be suitable for and used for a forestry or
4 recreational purpose, or both, unless conveyed as provided in this
5 section. Land sold to a public agency under this section or section
6 6 of former 1931 PA 217 ~~shall~~**must** be used only for a forestry or
7 recreational purpose, or both, if the land is prime land. When the
8 prime land is no longer used for a forestry or recreational
9 purpose, or both, the land ~~shall~~**must** revert to this state.

10 (2) Except as provided in subsection (6), the department shall
11 relinquish a reversionary interest in municipal forestland,
12 conveyed to a public agency under this section or section 6 of
13 former 1931 PA 217 before October 12, 2004, within 90 days after
14 the department receives, on a form prescribed by the department, a
15 written request for relinquishment from the public agency that owns
16 the municipal forestland subject to the reversionary interest. The
17 department shall relinquish its reversionary interest by an
18 instrument approved by the department of attorney general and
19 recorded by the department with the register of deeds of the county
20 where the municipal forestland is located. The instrument ~~shall~~
21 **must** include provisions implementing subsections (3) ~~through~~**to**
22 (8). The department may charge the public agency an amount equal to
23 the charge for recording the release.

24 (3) A public agency to which a reversionary interest was
25 relinquished under subsection (2) shall not convey the municipal
26 forestland formerly subject to the reversionary interest unless the
27 conveyance is approved by the department.

28 (4) Subject to subsection (5), a public agency to which a
29 reversionary interest was relinquished under subsection (2) and any

1 public agency that is a successor in interest shall not convey the
2 municipal forestland formerly subject to the reversionary interest,
3 or any part ~~thereof, of the municipal forestland,~~ unless the
4 conveyance is to a public agency for \$1.00 or to a public agency or
5 any other person for fair market value. If the conveyance is to a
6 public agency for \$1.00, the deed ~~shall~~**must** recite "MCL 324.52706
7 requires an accounting and specifies how proceeds are to be
8 distributed when the property is subsequently conveyed for fair
9 market value.". If the conveyance is to a public agency or any
10 other person for fair market value, the public agency conveying the
11 property ~~shall~~**must** have an accounting taken, ~~shall~~retain 50% of
12 the proceeds, and ~~shall~~submit the remaining 50% of the proceeds to
13 the department of treasury for deposit ~~as follows:~~

14 ~~(a) The first \$18,000,000.00 in total proceeds from all such~~
15 ~~conveyances shall be deposited in~~**into** the general fund.

16 ~~(b) Any proceeds in excess of \$18,000,000.00 shall be~~
17 ~~deposited in the fire protection fund created in section 732a of~~
18 ~~the Michigan vehicle code, 1949 PA 300, MCL 257.732a.~~

19 (5) Once the municipal forestland or part ~~thereof~~**of the**
20 **municipal forestland** formerly subject to a reversionary interest is
21 conveyed for fair market value and an accounting is taken and the
22 proceeds are distributed as provided under subsection (4),
23 subsection (4) does not apply to subsequent conveyances of that
24 municipal forestland or part ~~thereof, of the municipal forestland,~~
25 respectively.

26 (6) Subsection (2) does not apply to prime land.

27 (7) A public agency to which a reversionary interest is
28 relinquished under subsection (2) shall not convey the municipal
29 forestland formerly subject to the reversionary interest to a third

1 person unless the public agency has conducted a public hearing on
2 the proposed conveyance. The public agency may conduct a second
3 public hearing on the proposed conveyance if the public agency
4 determines that a second public hearing may be necessary. Notice of
5 a public hearing under this subsection ~~shall~~**must** be published at
6 least twice in a newspaper of general circulation in the county or
7 counties where the municipal forestland is located, not more than
8 28 or less than 7 days before the hearing. The notice ~~shall~~**must**
9 describe where the municipal forestland is located, specify the
10 approximate size of the municipal forestland, describe its current
11 use, and identify the person to whom the municipal forestland is
12 proposed to be sold, if known. The public agency shall provide a
13 copy of the notice to the director of the department not less than
14 7 days before the hearing.

15 (8) The requirements of subsection (7) do not relieve the
16 public agency of any notice, hearing, or other requirements imposed
17 by any other law.

18 (9) If municipal forestland was conveyed to a public agency
19 under this section or section 6 of former 1931 PA 217 and the
20 municipal forestland is subsequently conveyed by the public agency
21 to the department, then, for purposes of subparts 13 and 14 of part
22 21, the municipal forestland ~~shall~~**must** not be considered to have
23 been reacquired by the department on or after January 1, 1933 for
24 natural resource purposes unless the municipal forestland was
25 originally acquired by the department on or after January 1, 1933
26 for natural resource purposes.

27 (10) As used in this section:

28 (a) "Basal area" means the sum of the cross-sectional area of
29 trees 4 inches or greater in diameter measured at 4.5 feet from the

1 highest ground at the base of each tree.

2 (b) "Municipal forestland" means homestead, tax, swamp, or
3 primary school land sold to a public agency under this section or
4 section 6 of former 1931 PA 217 for a forestry or recreational
5 purpose, or both.

6 (c) "Prime land" means municipal forestland that meets 1 or
7 more of the following requirements:

8 (i) Is within a boundary of a program administered by the
9 department.

10 (ii) Provides access to a public body of water.

11 (iii) Is not less than 121 acres in size and, at any time during
12 the preceding 10 years, had a basal area of not less than 90 square
13 feet per acre.

14 (d) "Public agency" means a school district, public
15 educational institution, governmental unit of this state or agency
16 of this state, or a municipality.

17 (e) "Recreational purpose" includes any motorized or
18 nonmotorized recreational activity.

19 (11) The use in this section of the phrase "this section or
20 section 6 of former 1931 PA 217" does not imply that the term "this
21 section" as used elsewhere in this act does not include the
22 relevant section as it existed in former law codified in this act.

23 Enacting section 1. This amendatory act takes effect 90 days
24 after the date it is enacted into law.

25 Enacting section 2. This amendatory act does not take effect
26 unless Senate Bill No. 706 of the 102nd Legislature is enacted into
27 law.