



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 332 (as introduced 4-14-11)
Sponsor: Senator Tom Casperson
Committee: Natural Resources, Environment, and Great Lakes

Date Completed: 4-27-11

CONTENT

The bill would create a new act to require the Department of Natural Resources (DNR) to offer to convey closed State forest campgrounds to the townships or counties in which they are located; require the DNR to receive sealed bids or offer a closed campground for sale at a public auction if it were not conveyed to a township or county; and require the property conveyed to be used for public camping.

"Closed campground" would include a number of specified State forest campgrounds located in Alpena, Baraga, Cheboygan, Chippewa, Crawford, Dickinson, Grand Traverse, Lake, Luce, Mackinac, Marquette, Montmorency, Oscoda, Otsego, Schoolcraft, and Wexford Counties.

The bill would require the DNR promptly to offer to convey each closed campground to the township in which it is located. If a closed campground were not conveyed to the applicable township within 30 days after the bill took effect, the DNR promptly would have to offer to convey it to the county in which it is located. A conveyance to a township or county would have to be for consideration of \$1.

If a closed campground were not conveyed to the applicable township or county within the prescribed time period, the DNR would be required, within 120 days after the bill took effect, to receive sealed bids for the sale of the campground or offer it for sale at a public auction. The Department would have to complete the conveyance to the highest qualified bidder within 150 days after the bill's effective date.

With regard to a conveyance under the bill, the property would have to be open to the public and used for campground purposes. If any fee, term, or condition for the use of the property were imposed on members of the public, or if any of those fees, terms, or conditions were waived, resident and nonresident members of the public would have to be subject to the same fees, terms, conditions, and waivers.

In the event of activity inconsistent with the bill's requirements, the State could reenter and repossess the property, terminating the grantee's estate in it. If the grantee disputed the State's exercise of its right of reentry and failed to deliver possession of the property promptly to the State, the Attorney General could bring an action on the State's behalf to quiet title to the property and regain possession of it.

If the State reentered and repossessed the property, the State would not be liable to reimburse any party for any improvements made on it.

Property conveyed under the bill would include all surplus, salvage, and scrap property or equipment remaining on the property as of the date of the conveyance.

The DNR would reserve oil, gas, and mineral rights to the property in a conveyance under the bill. The Department also would reserve all aboriginal antiquities, including mounds, earthworks, forts, burial and village sites, mines, and other relics, on, within, or under the property, with power to the State, and all others acting under its authority, to enter the property for any purpose related to exploring, excavating, and taking away aboriginal antiquities.

A conveyance would have to be by quitclaim deed or other instrument approved by the Attorney General.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would order the Department of Natural Resources to offer for conveyance 36 parcels owned by the Department to the townships or counties where the closed campgrounds are located. If the township or county did not wish to accept the conveyance, the parcel would be sold at auction or by sealed bid. It is not known how many parcels would be sold under the bill, or how much each parcel would sell for. The conveyance of property under the bill would represent a net loss of assets for the Department in cases where the parcels were purchased with State or Federal funds. When the DNR sells parcels it owns, the proceeds from the sale are deposited into the fund used to purchase the parcel. Under the bill, if closed campgrounds were conveyed to a township or county, the consideration would be a \$1 token amount, which is almost certainly less than the parcels were purchased for. This loss of assets would have a negligible impact on the finances of the Department in cases where the DNR otherwise had no intention of selling the parcels.

On a local level, parcels that were sold to tax-paying entities would generate some property tax revenue, which would very likely be higher than the payments-in-lieu-of-taxes that local governments may be currently receiving for the parcels.

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.