

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1031

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 52702 and 52706 (MCL 324.52702 and 324.52706),
section 52702 as added by 1995 PA 57 and section 52706 as amended
by 2006 PA 179.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 52702. Any municipality may acquire by purchase, gift, or
2 devise, or may provide land already in its possession, and use the
3 land for **A** forestry purposes, ~~OR RECREATIONAL PURPOSE, OR BOTH,~~
4 either within or outside of the territorial limits of the
5 municipality, and may carry on forestry **OR RECREATIONAL ACTIVITIES,**
6 **OR BOTH,** on the land. **HOWEVER, THE USE OF THE LAND FOR FORESTRY IS**
7 **THE HIGHEST PRIORITY OBJECTIVE OF THE LAND AND USE OF THE LAND FOR**

1 **RECREATIONAL ACTIVITIES SHALL NOT INTERFERE WITH ITS USE FOR**
2 **FORESTRY.** Any municipality may also receive and expend or hold in
3 trust gifts of money or personalty for **A** forestry purposes.~~OR~~
4 **RECREATIONAL PURPOSE, OR BOTH.**

5 Sec. 52706. (1) The department, the department of treasury, or
6 a state officer having charge of state land, may sell homestead,
7 tax, swamp, or primary school land to a public agency for **A**
8 forestry purposes,~~OR RECREATIONAL PURPOSE, OR BOTH,~~ at a price set
9 by the department, ~~THE~~ department of treasury, or ~~other~~~~THE~~ state
10 officer. However, the amount of land sold shall not exceed the
11 amount that may be necessary for the public agency, and any land
12 that is sold shall be suitable for and used ~~solely~~ for a forestry
13 **OR RECREATIONAL** purpose, **OR BOTH,** unless conveyed as provided in
14 this section. Land sold to a public agency under this section or
15 section 6 of former 1931 PA 217 shall be used only for a forestry
16 **OR RECREATIONAL** purpose, **OR BOTH,** if the land is prime land. When
17 the prime land is no longer used for a forestry **OR RECREATIONAL**
18 purpose, **OR BOTH,** the land shall revert to this state.

19 (2) Except as provided in subsection (6), the department shall
20 relinquish a reversionary interest in municipal forestland,
21 conveyed to a public agency under this section or section 6 of
22 former 1931 PA 217 before October 12, 2004, within 90 days after
23 the department receives, on a form prescribed by the department, a
24 written request for relinquishment from the public agency that owns
25 the municipal forestland subject to the reversionary interest. The
26 department shall relinquish its reversionary interest by an
27 instrument approved by the department of attorney general and

1 recorded by the department with the register of deeds of the county
2 where the municipal forestland is located. The instrument shall
3 include provisions implementing subsections (3) through ~~(9)~~—(8).
4 The department may charge the public agency an amount equal to the
5 charge for recording the release.

6 (3) ~~Beginning 4 years after the effective date of the 2006~~
7 ~~amendatory act that amended this subsection, a~~ A public agency to
8 which a reversionary interest was relinquished under subsection (2)
9 shall not convey the municipal forestland formerly subject to the
10 reversionary interest unless the conveyance is approved by the
11 department.

12 (4) Subject to subsection (5), a public agency to which a
13 reversionary interest was relinquished under subsection (2) and any
14 public agency that is a successor in interest shall not convey the
15 municipal forestland formerly subject to the reversionary interest,
16 or any part thereof, unless the conveyance is to a public agency
17 for \$1.00 or to a public agency or any other person for fair market
18 value. If the conveyance is to a public agency for \$1.00, the deed
19 shall recite "MCL 324.52706 requires an accounting and specifies
20 how proceeds are to be distributed when the property is
21 subsequently conveyed for fair market value.". If the conveyance is
22 to a public agency or any other person for fair market value, the
23 public agency conveying the property shall have an accounting
24 taken, shall retain 50% of the proceeds, and shall submit the
25 remaining 50% of the proceeds to the department of treasury for
26 deposit as follows:

27 (a) The first \$18,000,000.00 in total proceeds from all such

1 conveyances shall be deposited in the general fund.

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

5 (5) Once the municipal forestland or part thereof formerly
6 subject to a reversionary interest is conveyed for fair market
7 value and an accounting is taken and the proceeds are distributed
8 as provided under subsection (4), subsection (4) does not apply to
9 subsequent conveyances of that municipal forestland or part
10 thereof, respectively.

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

12 (7) A public agency to which a reversionary interest is
13 relinquished under subsection (2) shall not convey the municipal
14 forestland formerly subject to the reversionary interest to a third
15 person unless the public agency has conducted a public hearing on
16 the proposed conveyance. The public agency may conduct a second
17 public hearing on the proposed conveyance if the public agency
18 determines that a second public hearing may be necessary. Notice of
19 a public hearing under this subsection shall be published at least
20 twice in a newspaper of general circulation in the county or
21 counties where the municipal forestland is located, not more than
22 28 or less than 7 days before the hearing. The notice shall
23 describe where the municipal forestland is located, specify the
24 approximate size of the municipal forestland, describe its current
25 use, and identify the person to whom the municipal forestland is
26 proposed to be sold, if known. The public agency shall provide a
27 copy of the notice to the director of the department not less than

1 7 days before the hearing.

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

5 ~~—— (9) If, before 4 years after the effective date of the 2006~~
6 ~~amendatory act that amended this subsection, municipal forestland~~
7 ~~formerly subject to a reversionary interest that was relinquished~~
8 ~~under subsection (2) is conveyed by a public agency, the public~~
9 ~~agency shall notify the department within 60 days of the~~
10 ~~conveyance. Notice of the conveyance shall be in a form prescribed~~
11 ~~by the department.~~

12 (9) ~~(10)~~ If municipal forestland was conveyed to a public
13 agency under this section or section 6 of former 1931 PA 217 and
14 the municipal forestland is subsequently conveyed by the public
15 agency to the department, then, for purposes of subparts 13 and 14
16 of part 21, the municipal forestland shall not be considered to
17 have been reacquired by the department on or after January 1, 1933
18 for natural resource purposes unless the municipal forestland was
19 originally acquired by the department on or after January 1, 1933
20 for natural resource purposes.

21 (10) ~~(11)~~ As used in this section:

22 (a) "Basal area" means the sum of the cross-sectional area of
23 trees 4 inches or greater in diameter measured at 4.5 feet from the
24 highest ground at the base of each tree.

25 (b) "Municipal forestland" means homestead, tax, swamp, or
26 primary school land sold to a public agency under this section or
27 section 6 of former 1931 PA 217 ~~solely~~ for a forestry **OR**

1 **RECREATIONAL purpose, OR BOTH.**

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

4 (i) Is within a boundary of a program administered by the
5 department.

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

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

10 (d) "Public agency" means a school district, public
11 educational institution, governmental unit of this state or agency
12 of this state, or a municipality.

13 **(E) "RECREATIONAL PURPOSE" INCLUDES ANY MOTORIZED OR**
14 **NONMOTORIZED RECREATIONAL ACTIVITY.**

15 **(11)** ~~(12)~~—The use in this section of the phrase "this section
16 or section 6 of former 1931 PA 217" does not imply that the term
17 "this section" as used elsewhere in this act does not include the
18 relevant section as it existed in former law codified in this act.