

**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2012**

Introduced by Senator Casperson

ENROLLED SENATE BILL No. 1031

AN ACT to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,” 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:

Sec. 52702. Any municipality may acquire by purchase, gift, or devise, or may provide land already in its possession, and use the land for a forestry or recreational purpose, or both, either within or outside of the territorial limits of the municipality, and may carry on forestry or recreational activities, or both, on the land. However, the use of the land for forestry is the highest priority objective of the land and use of the land for recreational activities shall not interfere with its use for forestry. Any municipality may also receive and expend or hold in trust gifts of money or personalty for a forestry or recreational purpose, or both.

Sec. 52706. (1) The department, the department of treasury, or a state officer having charge of state land, may sell homestead, tax, swamp, or primary school land to a public agency for a forestry or recreational purpose, or both, at a price set by the department, the department of treasury, or the state officer. However, the amount of land sold shall not exceed the amount that may be necessary for the public agency, and any land that is sold shall be suitable for and used for a forestry or recreational purpose, or both, unless conveyed as provided in this section. Land sold to a public agency under this section or section 6 of former 1931 PA 217 shall be used only for a forestry or recreational purpose, or both, if the land is prime land. When the prime land is no longer used for a forestry or recreational purpose, or both, the land shall revert to this state.

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

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

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

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

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

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

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

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

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

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

(10) As used in this section:

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

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

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

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

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

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

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

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

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

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Sam E. Randall

Clerk of the House of Representatives

Approved

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Governor