

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

**SFA**



**BILL ANALYSIS**

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

House Bill 5066 (Substitute S-1 as reported)  
Sponsor: Representative Allen Lowe  
House Committee: Conservation, Environment and Recreation  
Senate Committee: Natural Resources and Environmental Affairs

Date Completed: 2-23-98

### **RATIONALE**

Under the Natural Resources and Environmental Protection Act (NREPA), the Department of Natural Resources (DNR) is permitted to exchange State-owned or State-acquired lands for lands of equal area or approximately equal value that belong to the United States or are owned by private individuals if the DNR determines that it is in the State's best interest to do so. When more than one person is interested in the purchase of the available land, the Department sells the land at a public auction or accepts bids on it. A bidder must pay a \$300 application fee to DNR's Real Estate Division, or \$500 for 320 or more acres of land. Public Act 112 of 1997, which provides for the DNR's fiscal year 1997-98 appropriations, requires the Department to refund the fee paid by an unsuccessful bidder who has nominated State property for sale, when the land is sold. Some people feel that this policy also should be codified in statutory law.

### **CONTENT**

The bill would amend the NREPA to require the DNR to refund in full the land exchange application fee if it charged an application fee for a proposed exchange of lands and the State land proposed for exchange were sold to another party within three years after the application was submitted, and if the applicant had informed the DNR of his or her current address.

MCL 324.2104

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

According to the DNR, land exchanges "are designed to improve management and enhance resources values of Department project areas by consolidating public ownership". The bill would establish a policy of refunding land application fees of unsuccessful bidders for property sold, within three years after an application was submitted. Recently, the DNR has adopted the refund policy into current practice, and Public Act 112 of 1997 required a land application fee refund for the fiscal year ending September 30, 1998. The bill would establish the refund policy, without the expiration date, into law.

Legislative Analyst: N. Nagata

### **FISCAL IMPACT**

The bill would have minimal fiscal impact on the Department of Natural Resources since the refund of application fees is current practice. According to the Department, there would be some increased record-keeping costs associated with the bill.

Fiscal Analyst: G. Cutler

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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.