

HOUSE BILL No. 5429

November 8, 2007, Introduced by Rep. Hansen and referred to the Committee on Great Lakes and Environment.

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

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 forestry
4 purposes, at a price set by the department, department of treasury,
5 or other state officer. However, the amount of land sold shall not
6 exceed the amount that may be necessary for the public agency, and
7 any land that is sold shall be suitable for and used solely for a
8 forestry purpose unless conveyed as provided in this section. ~~Land~~
9 **HOWEVER, LAND** sold to a public agency under this section or section
10 6 of former 1931 PA 217 shall be used only for a forestry purpose

1 if the land is prime land. When the prime land is no longer used
2 for a forestry purpose, the land shall revert to this state.

3 (2) Except as provided in subsection (6), the department shall
4 relinquish a reversionary interest in municipal forestland,
5 conveyed to a public agency under this section or section 6 of
6 former 1931 PA 217 before October 12, 2004, within 90 days after
7 the department receives, on a form prescribed by the department, a
8 written request for relinquishment from the public agency that owns
9 the municipal forestland subject to the reversionary interest. The
10 department shall relinquish its reversionary interest by an
11 instrument approved by the department of attorney general and
12 recorded by the department with the register of deeds of the county
13 where the municipal forestland is located. The instrument shall
14 include provisions implementing subsections (3) through (9). The
15 department may charge the public agency an amount equal to the
16 charge for recording the release.

17 (3) ~~Beginning 4 years after the effective date of the 2006~~
18 ~~amendatory act that amended this subsection JUNE 6, 2010,~~ a public
19 agency to which a reversionary interest was relinquished under
20 subsection (2) shall not convey the municipal forestland formerly
21 subject to the reversionary interest unless the conveyance is
22 approved by the department.

23 (4) Subject to subsection (5), a public agency to which a
24 reversionary interest was relinquished under subsection (2) and any
25 public agency that is a successor in interest shall not convey the
26 municipal forestland formerly subject to the reversionary interest,
27 or any part thereof, unless the conveyance is to a public agency

1 for \$1.00 or to a public agency or any other person for fair market
2 value. If the conveyance is to a public agency for \$1.00, the deed
3 shall recite "MCL 324.52706 requires an accounting and specifies
4 how proceeds are to be distributed when the property is
5 subsequently conveyed for fair market value." If the conveyance is
6 to a public agency or any other person for fair market value, the
7 public agency conveying the property shall have an accounting
8 taken. ~~, shall retain 50% of the proceeds, and shall submit the~~
9 ~~remaining 50% of the proceeds to the department of treasury for~~
10 ~~deposit~~ **IF THE PUBLIC AGENCY CONVEYING THE PROPERTY FOR FAIR MARKET**
11 **VALUE IS A SCHOOL DISTRICT, THE SCHOOL DISTRICT SHALL DEPOSIT AT**
12 **LEAST 50% OF THE PROCEEDS INTO A FUND OR FUNDS TO BE USED FOR**
13 **SCHOOL DISTRICT OPERATING EXPENSES OR FINANCIAL AID FOR HIGHER**
14 **EDUCATION FOR RESIDENTS OF THE SCHOOL DISTRICT. IF THE PUBLIC**
15 **AGENCY CONVEYING THE PROPERTY FOR FAIR MARKET VALUE IS NOT A SCHOOL**
16 **DISTRICT, THE PUBLIC AGENCY SHALL SUBMIT 50% OF THE PROCEEDS TO THE**
17 **DEPARTMENT OF TREASURY. THE DEPARTMENT OF TREASURY SHALL DEPOSIT**
18 **PROCEEDS RECEIVED UNDER THIS SUBSECTION** as follows:

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

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

24 (5) Once the municipal forestland or part thereof formerly
25 subject to a reversionary interest is conveyed for fair market
26 value and an accounting is taken and the proceeds are distributed
27 as provided under subsection (4), subsection (4) does not apply to

1 subsequent conveyances of that municipal forestland or part
2 thereof, respectively.

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

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

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

24 (9) If, before ~~4 years after the effective date of the 2006~~
25 ~~amendatory act that amended this subsection~~ **JUNE 6, 2010**, municipal
26 forestland formerly subject to a reversionary interest that was
27 relinquished under subsection (2) is conveyed by a public agency,

1 the public agency shall notify the department within 60 days of the
2 conveyance. Notice of the conveyance shall be in a form prescribed
3 by the department.

4 (10) If municipal forestland was conveyed to a public agency
5 under this section or section 6 of former 1931 PA 217 and the
6 municipal forestland is subsequently conveyed by the public agency
7 to the department, then, for purposes of subparts 13 and 14 of part
8 21, the municipal forestland shall not be considered to have been
9 reacquired by the department on or after January 1, 1933 for
10 natural resource purposes unless the municipal forestland was
11 originally acquired by the department on or after January 1, 1933
12 for natural resource purposes.

13 (11) As used in this section:

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

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

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

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

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

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

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

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