

# HOUSE BILL No. 5871

March 11, 2008, Introduced by Reps. Elsenheimer, Huizenga, Hansen and Casperson 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 sold to a public agency under this section or section 6 of former

1 1931 PA 217 shall be used only for a forestry purpose if the land  
2 is prime land. When the prime land is no longer used for a forestry  
3 purpose, the land shall revert to this state.

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

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

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

1 or any part thereof, unless the conveyance is to a public agency  
2 for \$1.00 or to a public agency or any other person for fair market  
3 value. If the conveyance is to a public agency for \$1.00, the deed  
4 shall recite "MCL 324.52706 requires an accounting and specifies  
5 how proceeds are to be distributed when the property is  
6 subsequently conveyed for fair market value." If the conveyance is  
7 to a public agency or any other person for fair market value, the  
8 public agency conveying the property shall have an accounting  
9 taken, shall retain 50% of the proceeds, **OR 90% OF THE PROCEEDS IF**  
10 **THAT PUBLIC AGENCY IS A SCHOOL DISTRICT**, and shall submit the  
11 remaining ~~50% of the proceeds~~ to the department of treasury. ~~for~~  
12 ~~deposit~~ **THE 90% OF THE PROCEEDS RETAINED BY A SCHOOL DISTRICT SHALL**  
13 **BE DEPOSITED INTO AN ENDOWMENT FUND FROM WHICH THE SCHOOL DISTRICT**  
14 **MAY EXPEND ONLY INTEREST AND EARNINGS FROM FUND INVESTMENTS.**  
15 **PROCEEDS RECEIVED BY THE DEPARTMENT OF TREASURY UNDER THIS**  
16 **SUBSECTION SHALL BE DEPOSITED** as follows:  
17 (a) The first \$18,000,000.00 in total proceeds from all such  
18 conveyances shall be deposited in the general fund.  
19 (b) Any proceeds in excess of \$18,000,000.00 shall be  
20 deposited in the fire protection fund created in section 732a of  
21 the Michigan vehicle code, 1949 PA 300, MCL 257.732a.  
22 (5) Once the municipal forestland or part thereof formerly  
23 subject to a reversionary interest is conveyed for fair market  
24 value and an accounting is taken and the proceeds are distributed  
25 as provided under subsection (4), subsection (4) does not apply to  
26 subsequent conveyances of that municipal forestland or part  
27 thereof, respectively.

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

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

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

22           (9) If, before ~~4 years after the effective date of the 2006~~  
23 ~~amendatory act that amended this subsection~~ **JUNE 6, 2010**, municipal  
24 forestland formerly subject to a reversionary interest that was  
25 relinquished under subsection (2) is conveyed by a public agency,  
26 the public agency shall notify the department within 60 days of the  
27 conveyance. Notice of the conveyance shall be in a form prescribed

1 by the department.

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

11 (11) As used in this section:

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

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

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

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

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

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

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

1 of this state, or a municipality.

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