

Act No. 240
Public Acts of 2018
Approved by the Governor
June 27, 2018
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**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Reps. Howell, LaFave, VanderWall, Bellino, Rendon, Maturen and Glenn

ENROLLED HOUSE BILL No. 4475

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 protect the people's right to hunt and fish; 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 301, 503, 2106, 2133, and 72118 (MCL 324.301, 324.503, 324.2106, 324.2133, and 324.72118), section 301 as amended by 2004 PA 587, section 503 as amended by 2012 PA 294, sections 2106 and 2133 as added by 1995 PA 60, and section 72118 as added by 2016 PA 288, and by adding subpart 17 to part 21.

The People of the State of Michigan enact:

Sec. 301. Except as otherwise defined in this act, as used in this act:

- (a) "Commission" means the commission of natural resources.
- (b) "Department" means the director of the department of natural resources or his or her designee to whom the director delegates a power or duty by written instrument.
- (c) "Department of natural resources" means the principal state department created in section 501.
- (d) "Director" means the director of the department of natural resources.
- (e) "Local unit of government" or "local unit" means a municipality or county.
- (f) "Michigan conservation and recreation legacy fund" means the Michigan conservation and recreation legacy fund established in section 40 of article IX of the state constitution of 1963 and provided for in section 2002.
- (g) "Municipality" means a city, village, or township.
- (h) "Person" means an individual, partnership, corporation, association, governmental entity, or other legal entity.
- (i) "Public domain" means all land owned by this state or land deeded to this state under state law.
- (j) "Rule" means a rule promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

Sec. 503. (1) The department shall protect and conserve the natural resources of this state; provide and develop facilities for outdoor recreation; prevent the destruction of timber and other forest growth by fire or otherwise; promote

the reforestation of forestlands belonging to this state; prevent and guard against the pollution of lakes and streams within this state and enforce all laws provided for that purpose with all authority granted by law; and foster and encourage the protection and propagation of game and fish. Before issuing an order or promulgating a rule under this act that will designate or classify land managed by the department for any purpose, the department shall consider, in addition to any other matters required by law, all of the following:

(a) Providing for access to and use of the public land for recreation and tourism.

(b) The existence of or potential for natural resources-based industries, including forest management, mining, or oil and gas development on the public land.

(c) The potential impact of the designation or classification on private property in the immediate vicinity.

(2) The department has the power and jurisdiction over the management, control, and disposition of all land under the public domain, except for those lands under the public domain that are managed by other state agencies to carry out their assigned duties and responsibilities. On behalf of the people of this state, the department may accept gifts and grants of land and other property and may buy, sell, exchange, or condemn land and other property, for any of the purposes of this part.

(3) If any payment under subpart 13 or 14 of part 21 or section 51106 for land located north of the Mason-Arenac line is not made in full and on time during a fiscal year, then, until the end of that fiscal year, the department shall not purchase surface rights to land located north of the Mason-Arenac line unless 1 or both of the following apply:

(a) Full payment was made later during that fiscal year.

(b) The specific acquisition is approved by resolution adopted by the following, as applicable:

(i) If the land is located in a single township, the township board.

(ii) If the land is located in 2 or more townships, the county board of commissioners of the county where the land is located.

(4) For the purposes of subsections (3) and (9), respectively, land in which the department acquires or owns surface rights does not include any of the following:

(a) Land acquired under an option agreement in effect on the date when the payment described in subsection (3) became due if the acquisition takes place within 120 days after the payment became due.

(b) Land in which the department has a conservation easement.

(c) Land that, before July 2, 2012, was platted under the land division act, 1967 PA 288, MCL 560.101 to 560.293, or a predecessor act and acquired by the department.

(d) Any of the following if acquired on or after July 2, 2012:

(i) Land with an area of not more than 80 acres, or a right-of-way, for accessing other land owned by the department or for accessing the waters of the state as defined in section 3101.

(ii) Land for a trail, subject to all of the following:

(A) If the traveled portion of the proposed trail is located within an abandoned railroad right-of-way, the land excluded is limited to the abandoned railroad right-of-way.

(B) If the traveled portion of the proposed trail is located in a utility easement, the land excluded is limited to the utility easement.

(C) If sub-subparagraphs (A) and (B) do not apply, the land excluded is limited to the traveled portion of the proposed trail and contiguous land. For the purposes of the exclusion, the area of the contiguous land shall not exceed the product of 100 feet multiplied by the length of the proposed trail in feet.

(iii) Land that, on July 2, 2012 was commercial forestland as defined in section 51101 if the land continues to be used in a manner consistent with part 511.

(iv) Land acquired by the department by gift, including the gift of funds specifically dedicated to land acquisition.

(v) Land acquired by the department through litigation.

(5) The department shall maintain a record of land as described in subsection (4)(a) to (d). The record shall include the location, acreage, date of acquisition, and use of the land.

(6) By October 1, 2014, the department shall develop a written strategic plan to guide the acquisition and disposition of state lands managed by the department, submit the plan to the relevant legislative committees, and post the plan on the department's website. In developing the plan, the department shall solicit input from the public and local units of government.

(7) The strategic plan shall do all of the following:

(a) Divide this state into regions.

(b) Identify lands managed by the department in each region.

(c) Set forth for each region measurable strategic performance goals with respect to all of the following for land managed by the department:

- (i) Maximizing availability of points of access to the land and to bodies of water on or adjacent to the land.
- (ii) Maximizing outdoor recreation opportunities.
- (iii) Forests.
- (iv) Wildlife and fisheries.

(d) To assist in achieving the goals set forth in the strategic plan pursuant to subdivision (c), identify all of the following:

- (i) Land to be acquired.
- (ii) Land to be disposed of.
- (iii) Plans for natural resource management.

(e) To the extent feasible, identify public lands in each region that are not managed by the department but affect the achievement of the goals set forth in the strategic plan pursuant to subdivision (c).

(f) Identify ways that the department can better coordinate the achievement of the goals set forth in the strategic plan pursuant to subdivision (c), recognizing that public lands are subject to multiple uses and both motorized and nonmotorized uses.

(g) Identify critical trail connectors to enhance motorized and nonmotorized natural-resource-dependent outdoor recreation activities for public enjoyment.

(8) The legislature approves the strategic plan entitled "Department of Natural Resources Managed Public Land Strategy" issued by the department and dated July 1, 2013. The department shall implement the most recent legislatively approved strategic plan and shall not change the plan except by a plan update proposed pursuant to subsection (10) and subsequently approved by the legislature.

(9) The department shall annually submit to the relevant legislative committees and post and annually update on the department's website all of the following:

(a) A report on the implementation of the plan.

(b) The number of acres of land in which the department owns surface rights north of the Mason-Arenac line, south of the Mason-Arenac line, and in total for this state.

(c) Information on the total number of each of the following:

- (i) Acres of land managed by the department.
- (ii) Acres of state park and state recreation area land.
- (iii) Acres of state game and state waterfowl areas.
- (iv) Acres of land managed by the department and open for public hunting.
- (v) Acres of state-owned mineral rights managed by the department that are under a development lease.
- (vi) Acres of state forestland.
- (vii) Public boating access sites managed by the department.
- (viii) Miles of motorized trails managed by the department.
- (ix) Miles of nonmotorized trails managed by the department.

(10) For legislative consideration and approval, as provided in subsection (8), by July 1, 2021, and every 6 years thereafter, the department shall propose an update to the strategic plan, submit the proposed updated plan to the relevant legislative committees, and post the proposed updated plan on the department's website. At least 60 days before posting the proposed updated plan, the department shall prepare, submit to the relevant legislative committees, and post on the department's website a report that covers all of the following and includes department contact information for persons who wish to comment on the report:

- (a) Progress toward the goals set forth in the strategic plan pursuant to subsection (7)(c).
- (b) Any proposed changes to the goals, including the rationale for the changes.
- (c) The department's engagement and collaboration with local units of government.

(11) Subject to subsection (12), if land owned by this state and managed by the department, land owned by the federal government, and land that is commercial forestland as defined in section 51101 constitute 40% or more of the land in a county, the department shall not acquire land in that county if, not more than 60 days after the department sent the notice of the proposed acquisition to the board under section 2165, the department receives a copy of a resolution rejecting the proposed acquisition adopted by the following, as applicable:

- (a) If the land is located in a single township, the township board.
- (b) If the land is located in 2 or more townships, the county board of commissioners.

(12) Subsection (11) does not apply to land described in subsection (4)(d).

(13) The department may accept funds, money, or grants for development of salmon and steelhead trout fishing in this state from the government of the United States, or any of its departments or agencies, pursuant to the anadromous fish conservation act, 16 USC 757a to 757f, and may use this money in accordance with the terms and provisions of that act. However, the acceptance and use of federal funds does not commit state funds and does not place an obligation upon the legislature to continue the purposes for which the funds are made available.

(14) The department may appoint persons to serve as volunteers to assist the department in meeting its responsibilities as provided in this part. Subject to the direction of the department, a volunteer may use equipment and machinery necessary for the volunteer service, including, but not limited to, equipment and machinery to improve wildlife habitat on state game areas.

(15) The department may lease lands owned or controlled by the department or may grant concessions on lands owned or controlled by the department to any person for any purpose that the department determines to be necessary to implement this part. The department shall grant each concession for a term of not more than 7 years based on extension, renegotiation, or competitive bidding. However, if the department determines that a concession requires a capital investment in which reasonable financing or amortization necessitates a longer term, the department may grant a concession for up to a 15-year term. A concession granted under this subsection shall require, unless the department authorizes otherwise, that all buildings and equipment be removed at the end of the concession's term. Any lease entered into under this subsection shall limit the purposes for which the leased land is to be used and shall authorize the department to terminate the lease upon a finding that the land is being used for purposes other than those permitted in the lease. Unless otherwise provided by law, money received from a lease or a concession of tax reverted land shall be credited to the fund providing financial support for the management of the leased land. Money received from a lease of any other land shall be credited to the fund from which the land was purchased. However, money received from program-related leases on these lands shall be credited to the fund providing financial support for the management of the leased lands. For land managed by the forest management division of the department, that fund is either the forest development fund established pursuant to section 50507 or the forest recreation account of the Michigan conservation and recreation legacy fund provided for in section 2005. For land managed by the wildlife or fisheries division of the department, that fund is the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.

(16) When the department sells land, the deed may reserve all mineral, coal, oil, and gas rights to this state only if the land is in production or is leased or permitted for production, or if the department determines that the land has unusual or sensitive environmental features or that it is in the best interest of this state to reserve those rights as determined by commission policy. However, the department shall not reserve the rights to sand, gravel, clay, or other nonmetallic minerals. When the department sells land that contains subsurface rights, the department shall include a deed restriction that restricts the subsurface rights from being severed from the surface rights in the future. If the landowner severs the subsurface rights from the surface rights, the subsurface rights revert to this state. The deed may reserve to this state the right of ingress and egress over and across land along watercourses and streams. Whenever an exchange of land is made with the United States government, a corporation, or an individual for the purpose of consolidating the state forest reserves, the department may issue deeds without reserving to this state the mineral, coal, oil, and gas rights and the rights of ingress and egress. The department may sell the limestone, sand, gravel, or other nonmetallic minerals. However, the department shall not sell a mineral or nonmetallic mineral right if the sale would violate part 353, part 637, or any other provision of law. The department may sell all reserved mineral, coal, oil, and gas rights to such lands upon terms and conditions as the department considers proper and may sell oil and gas rights as provided in part 610. The owner of those lands as shown by the records shall be given priority in case the department authorizes any sale of those lands, and, unless the landowner waives that priority, the department shall not sell such rights to any other person. For the purpose of this section, mineral rights do not include rights to sand, gravel, clay, or other nonmetallic minerals.

(17) The department may enter into contracts for the sale of the economic share of royalty interests it holds in hydrocarbons produced from devonian or antrim shale qualifying for the nonconventional source production credit determined under section 45k of the internal revenue code of 1986, 26 USC 45k. However, in entering into these contracts, the department shall ensure that revenues to the natural resources trust fund under these contracts are not less than the revenues the natural resources trust fund would have received if the contracts were not entered into. The sale of the economic share of royalty interests under this subsection may occur under contractual terms and conditions considered appropriate by the department and as approved by the state administrative board. Funds received from the sale of the economic share of royalty interests under this subsection shall be transmitted to the state treasurer for deposit in the state treasury as follows:

(a) Net proceeds allocable to the nonconventional source production credit determined under section 45k of the internal revenue code of 1986, 26 USC 45k, under this subsection shall be credited to the environmental protection fund created in section 503a.

(b) Proceeds related to the production of oil or gas from devonian or antrim shale shall be credited to the natural resources trust fund or other applicable fund as provided by law.

(18) As used in this section:

(a) "Concession" means an agreement between the department and a person under terms and conditions as specified by the department to provide services or recreational opportunities for public use.

(b) "Lease" means a conveyance by the department to a person of a portion of this state's interest in land under specific terms and for valuable consideration, thereby granting to the lessee the possession of that portion conveyed during the period stipulated.

(c) "Mason-Arenac line" means the line formed by the north boundaries of Mason, Lake, Osceola, Clare, Gladwin, and Arenac Counties.

(d) "Natural resources trust fund" means the Michigan natural resources trust fund established in section 35 of article IX of the state constitution of 1963 and provided for in section 1902.

(e) "Net proceeds" means the total receipts received from the sale of royalty interests under subsection (17) less costs related to the sale. Costs may include, but are not limited to, legal, financial advisory, geological or reserve studies, and accounting services.

(f) "Relevant legislative committees" means the senate and house committees with primary responsibility for natural resources and outdoor recreation and the corresponding appropriation subcommittees.

(g) "Strategic plan" or "plan" means the plan developed under subsection (6), as updated under subsection (10), if applicable.

Sec. 2106. (1) The department shall maintain on its website and make available in writing to persons seeking to purchase land from, sell land to, or exchange land with the department under this part information about relevant requirements and procedures under this part and section 503(11) and (12).

(2) If it is in the interests of this state to exchange any of the lands described in section 2104 for lands of an equal area or of approximately equal value belonging to private individuals, the department shall maintain a description of the lands to be conveyed and a description of the lands belonging to individuals to be deeded to this state.

(3) Before any of the lands are deeded to an individual as provided in this subpart, the person or persons owning any lands to be deeded to this state shall execute a conveyance of those lands to this state. The department shall accept delivery of the deed. The attorney general shall examine the title to the lands deeded to this state and certify to the department whether or not the conveyance is sufficient to vest in this state a good and sufficient title to the land free from any liens or encumbrances. If the attorney general certifies that the deed vests in this state a good and sufficient title to the deeded lands free from any liens or encumbrances, the department shall within 30 days execute a deed to the individual of the lands to be conveyed by this state.

Sec. 2133. (1) Upon request, the department shall furnish a list of surplus lands being offered for sale at public auction. The surplus land sale list shall include all of the following:

(a) The date, time, and place of sale.

(b) Descriptions of surplus lands being offered.

(c) The conditions of sale.

(2) Upon request, the department shall furnish a list of surplus lands being offered in a negotiated sale. The surplus land negotiated sale list shall include both of the following:

(a) The date, time, and place that the department will meet to authorize the sale.

(b) Descriptions of surplus lands being offered.

SUBPART 17

NOTICE

Sec. 2165. (1) At least 30 days before disposing of, acquiring, leasing, or developing lands that are more than 80 acres in size, the department shall do all of the following:

(a) Provide notice in writing to the legislative bodies of the local units of government where the land is located.

(b) Post the notice on its website.

(c) Publish the notice in a newspaper of general circulation in the county where the land is located.

(2) The notice under subsection (1) shall contain all of the following information:

(a) The acreage, the location by address or by distance and direction from specified roads or highways, and the legal description of the land.

(b) The proposed timing of the land transaction.

(c) The proposed use for the land.

(d) The opportunity for the legislative body of a local unit of government where the land is located, or 5 or more residents of or owners of land in the county where the land is located, to request a general public meeting on the proposed transaction and the date by which the request must be received by the department under subsection (3).

(e) A website address where additional information on the proposed transaction can be found.

(f) For persons who wish to comment on or ask questions about the proposed transaction, the name, telephone number, electronic mail address, and mailing address of a department contact person.

(g) For the website notice, the following additional information:

(i) For the acquisition, lease from another person, or development of land, the fund source that will be used.

(ii) For the acquisition of land, the estimated annual payments in lieu of taxes.

(iii) The effect the proposal is expected to have on achieving the strategic performance goals set forth in the strategic plan pursuant to section 503(7).

(3) If the legislative body of a local unit of government where the land is located or 5 or more residents of or owners of land in the county where the land is located request a general public meeting and the department receives the necessary request or requests within 15 days after providing notice under subsection (1), the department shall meet with the general public in the county where the land is located to discuss the proposed disposition, acquisition, lease, or development. The department shall send a representative to the meeting who is familiar with the proposal.

(4) The department shall provide notice of a meeting under subsection (3) by all of the following means:

(a) Written notice to the legislative body of each local unit of government where the land is located.

(b) Written notice to each resident or owner of land that requested the meeting under subsection (3).

(c) Posting of the notice on the department's website.

(5) The department shall provide an opportunity for representatives of all local units of government where the land is located to meet in person with a department representative who is familiar with the proposed disposition, acquisition, lease, or development to discuss the proposal.

(6) Subsections (1) to (5) do not apply to either of the following:

(a) A lease with a term of 10 years or less.

(b) A lease limited to exploration for and production of oil and gas.

(7) As used in this section:

(a) "Development" means development that would significantly change or impact the current use of the land subject to development. "Developing" has a corresponding meaning. The removal of a berm, gate, or other human-made barrier under section 504 is not development.

(b) "Newspaper" means that term as defined in section 1461 of the revised judicature act of 1961, 1961 PA 236, MCL 600.1461.

Sec. 72118. (1) The department shall make a comprehensive inventory of forest roads that are state roads. The department shall divide the state into 5 regions and complete the inventory in regional phases. The Upper Peninsula shall be a separate region or regions. The department shall inventory the 2 most northerly regions in the Lower Peninsula by December 31, 2017. The department shall inventory the remaining regions by December 31, 2018. The inventory shall meet both of the following requirements:

(a) Identify the location, condition, and development level of the forest roads.

(b) Determine types of motorized and nonmotorized use currently restricted on each forest road segment and the seasons during which those uses are currently restricted.

(2) Beginning when the inventory for a region is completed or required to be completed, whichever occurs first, all of the following apply:

(a) The forest roads within that region are open to motorized use by the public unless designated otherwise by an order of the department under section 504. However, forest roads in the Upper Peninsula are open to motorized use by the public unless designated otherwise by an order of the department under section 504.

(b) If a timber harvest is planned for a particular area in that region, the department shall evaluate whether the timber harvest activity offers the opportunity to connect existing forest roads and trails in that area.

(c) The department shall not newly restrict a road or trail in that region from being used to access public land unless the department has provided each local unit of government in which the public land is located written notice that includes the reason for the restriction. This subdivision does not apply to a restriction imposed to protect public health or safety in an emergency situation.

(3) The department shall annually post to its website the total miles of forest roads open to motorized use in all inventoried regions and a map or maps of those forest roads.

Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.

Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 99th Legislature are enacted into law:

(a) Senate Bill No. 302.

(b) Senate Bill No. 303.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor