

# SENATE BILL No. 1037

January 22, 2008, Introduced by Senators PRUSI, JELINEK, JANSEN, VAN WOERKOM, BARCIA, OLSHOVE and CHERRY and referred to the Committee on Natural Resources and Environmental Affairs.

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

1 sold to a public agency under this section or section 6 of former  
2 1931 PA 217 shall be used only for a forestry purpose if the land  
3 is prime land. When the prime land is no longer used for a forestry  
4 purpose, the land shall revert to this state.

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

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

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

1 municipal forestland formerly subject to the reversionary interest,  
2 or any part thereof, unless the conveyance is to a public agency  
3 for \$1.00 or to a public agency or any other person for fair market  
4 value. If the conveyance is to a public agency for \$1.00, the deed  
5 shall recite "MCL 324.52706 requires an accounting and specifies  
6 how proceeds are to be distributed when the property is  
7 subsequently conveyed for fair market value." If the conveyance is  
8 to a public agency or any other person for fair market value, the  
9 public agency conveying the property shall have an accounting  
10 taken, shall retain 50% of the proceeds, and shall submit the  
11 remaining 50% of the proceeds to the department of treasury for  
12 deposit as follows:

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

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

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

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

25 (7) A public agency to which a reversionary interest is  
26 relinquished under subsection (2) shall not convey the municipal  
27 forestland formerly subject to the reversionary interest to a third

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

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

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

25 (10) If municipal forestland was conveyed to a public agency  
26 under this section or section 6 of former 1931 PA 217 and the  
27 municipal forestland is subsequently conveyed by the public agency

1 to the department, then, for purposes of subparts 13 and 14 of part  
2 21, the municipal forestland shall not be considered to have been  
3 reacquired by the department on or after January 1, 1933 for  
4 natural resource purposes unless the municipal forestland was  
5 originally acquired by the department on or after January 1, 1933  
6 for natural resource purposes.

7 (11) As used in this section:

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

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

14 (c) "Prime land", **SUBJECT TO SUBSECTION (12)**, means municipal  
15 forestland that meets 1 or more of the following requirements:

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

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

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

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

25 **(12) IF PRIME LAND IS PARTITIONED OR SPLIT, A RESULTING PARCEL**  
26 **SHALL NOT BE CONSIDERED PRIME LAND UNDER SUBSECTION (11) (C) (i) OR**  
27 **(ii) UNLESS THAT RESULTING PARCEL INDEPENDENTLY MEETS THE**

1 **REQUIREMENTS OF SUBSECTION (11) (C) (i) OR (ii) .**

2       (13) ~~(12)~~—The use in this section of the phrase "this section  
3 or section 6 of former 1931 PA 217" does not imply that the term  
4 "this section" as used elsewhere in this act does not include the  
5 relevant section as it existed in former law codified in this act.