



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 39 (Substitute S-2 as reported)
Senate Bill 40 (Substitute S-1 as reported)
Sponsor: Senator Tom Casperson (S.B. 39)
 Senator Darwin L. Booher (S.B. 40)
Committee: Natural Resources

CONTENT

Senate Bill 39 (S-2) would amend various parts of the Natural Resources and Environmental Protection Act (NREPA) to do the following:

- Require the Department of Natural Resources (DNR) to consider access to and use of public land and the existence of natural resources-based industries on the land, before officially designating or classifying any of its land.
- Require the DNR's strategic plan regarding the acquisition and disposition of State land managed by the Department to identify trail connectors to enhance outdoor recreation activities.
- Provide for legislative approval of the strategic plan, and require legislative approval of future updates to the plan.
- Require the DNR to update the plan every five years beginning in 2021, rather than every six years beginning in 2020.
- Require the DNR's report to the Legislature in connection with a plan update to include the Department's progress in engaging and collaborating with local units of government.
- Eliminate a 3,910,000-acre limit on the DNR's acquisition of land in northern Michigan, and prohibit the Department from acquiring the surface rights to additional acreage in that part of the State if the State did not make its full required payments in lieu of taxes (PILT) to local governments.
- Require local approval for any DNR purchase of land in a county or township in northern Michigan where at least 33% of the land is commercial forestland, or is owned by the State or the Federal government.
- In all other counties and townships, require the DNR to notify the local unit and provide an opportunity for local representatives to discuss a proposed land acquisition by the Department.
- Prohibit the DNR from promulgating a rule or issuing an order to protect and preserve property under its control that limited the use of or access to any land, unless the land was acquired with certain Federal funds or the State's Game and Fish Protection Account or the order was in response to a recreational users emergency.
- Prescribe procedures by which a local unit of government or an organization could request that the DNR remove a human-made barrier to Department land, and require the DNR to remove a barrier within 180 days after approving a request.
- Require the DNR to work with a local unit upon request to allow use of State land that would benefit the local community by increasing access to outdoor recreation and natural resources, and allow the DNR to charge the local unit a reasonable fee for the use.
- Require the DNR to manage land acquired with money from the Game and Fish Protection Account or certain Federal funds to enhance game and fish populations to ensure increased recreational hunting and fishing opportunities.

- Prohibit expenditure of Account money and certain Federal funds, as well as forest treatments on land acquired with money from either of those sources, to benefit nongame species, unless the DNR could demonstrate that the primary purpose was to benefit game species.
- Require the DNR to consider a request to sell or lease Department land if the prospective buyer or lessee were a business seeking expansion that was limited by adjacent State land, and the sale or lease would result in an economic benefit for the area.
- Require proceeds from the sale to be deposited in the fund that provided the revenue for the DNR's initial acquisition of the land, or, if the land had been acquired with other than with restricted fund revenue, in the Land Exchange Facilitation and Management Fund.
- Allow the DNR to charge an application fee for the exchange or purchase of State-owned land or an easement over State-owned land, and limit the fee to the lesser of \$300 or the actual cost of processing the application.
- Allow the DNR to sell surplus land if the sale would promote economic activity in the State, and other conditions were met.
- Delete a provision prohibiting the DNR from authorizing the sale of surplus land if the proceeds will cause the balance of the Land Exchange Facilitation Fund to exceed \$25.0 million.
- Prohibit the DNR from giving preference to a qualified conservation organization over another private entity in administering Part 21 (General Real Estate Powers).
- Prescribe procedures for determining the value of land for purposes of a purchase, sale, or exchange involving the DNR, if two or more appraisals that met Department standards were made.
- Require the DNR, upon request, to consider selling land that was not designated as surplus land.
- Provide that Part 355 (Biological Diversity Conservation) would not require a State department or agency to designate or classify an area of land specifically for the purpose of achieving or maintaining biological diversity.
- Revise the DNR's duties with regard to sustainable management of State forestland, and require the Department to balance certain duties with economic values.
- Require the DNR's forestry development, conservation, and recreation management plan, by October 1, 2017, to include yearly harvest objectives for all State-owned land by forest management area for a 15-year period, and require the DNR to prepare for sale at least 90% of the yearly harvest objective for each forest management area.
- Require the DNR to evaluate whether a timber harvest activity planned for a particular area offered the opportunity to connect existing forest roads and trails.

Senate Bill 40 (S-1) would amend NREPA to do the following:

- Include in the allowed uses of money in the Land Exchange Facilitation Fund the costs of surveys and environmental assessments incurred by the DNR in land transactions, the costs of natural resource management and public recreation activities, and the payment of special assessments levied on land owned by the DNR.
- Change the name of the Fund to the "Land Exchange Facilitation and Management Fund".
- Eliminate a provision allowing the DNR to make a proposed land purchase if the Michigan Natural Resources Trust Fund Board does not act on the Department's recommendation to purchase the land within 60 days.

The bills are tie-barred.

MCL 324.301 et al. (S.B. 39)
324.2130 et al. (S.B. 40)

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

Senate Bill 39 (S-1) would have an indeterminate fiscal impact on the Department of Natural Resources and no fiscal impact on local units of government.

The bill would allow the DNR to charge a fee of actual processing costs up to \$300 to process an application to exchange private land for State-owned land deemed surplus, buy surplus land directly, or acquire an easement. Over the last three years, the average number of applications received for each type of transaction was 18 exchanges, 23 direct sales, and 19 easements. According to the DNR, each application costs the Department at least \$1,000, depending on the actual amount of staff time spent on each one. While the bill's cost-recovery provision apparently would not cover all of these costs, it would generate about \$18,000 to help offset some of the costs.

Senate Bill 40 (S-1) would have a neutral fiscal impact on the Department of Natural Resources, and no fiscal impact on local units of government. The bill would change the name of the Land Exchange Facilitation Fund to the Land Exchange Facilitation and Management Fund and allow it to be used for environmental assessments, surveys, various natural resource-related activities, and payment of special assessments on land owned by the DNR. Current law allows the Fund to be used to purchase land with natural resource or recreational value. The Fund receives revenue from the proceeds of the sale of surplus State-owned land. In fiscal year 2014-15, the Fund received about \$3.5 million in revenue, had \$1.7 million in expenditures, and ended the year with a balance of about \$4.9 million.

Date Completed: 10-18-16

Fiscal Analyst: Josh Sefton

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