



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 302 (Substitute S-1 as reported)
Senate Bill 303 (Substitute S-1 as reported)
Sponsor: Senator Tom Casperson (S.B. 302)
 Senator Darwin L. Booher (S.B. 303)
Committee: Natural Resources

CONTENT

Senate Bill 302 (S-1) would amend various parts of the Natural Resources and Environmental Protection Act (NREPA) to do the following:

- Provide for legislative approval of the Department of Natural Resources' (DNR's) strategic plan regarding the acquisition and disposition of State land managed by the Department; 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.
- Prohibit the Department from acquiring the surface rights to additional acreage anywhere in the State if the State did not make its full required payments in lieu of taxes (PILT) to local governments; and eliminate a 3,910,000-acre limit on the DNR's acquisition of land in northern Michigan.
- Prohibit the DNR from acquiring land in a county where at least 40% of the land was owned by the State or the Federal government or was commercial forestland if the county rejected the acquisition, unless the township or townships approved it.
- In all other counties, require the DNR to notify the counties and townships and provide an opportunity for local representatives to discuss a proposed land acquisition.
- Require the DNR's report to the Legislature in connection with a strategic plan update to include the Department's progress in engaging and collaborating with local units of government.
- Require the 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.
- 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 an 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 for the primary purpose of managing habitat and thereby enhancing recreational hunting opportunities.

- Require the DNR to manage land acquired with money received under the Federal Pittman-Robertson Wildlife Restoration Act to manage game and fish habitats or to increase recreational hunting, fishing, and shooting opportunities.
- 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 other conditions were met.
- 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.
- Require the DNR to charge a \$300 application fee for the exchange or purchase of State-owned land, or, if the State land were more than 300 acres in size, \$300 plus the actual reasonable cost of processing the application.
- Allow the DNR to charge an application fee of \$300 or the actual reasonable processing cost for an easement over State-owned land.
- 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.
- 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 forestland by forest region for a 10-year period; and require the DNR to prepare for sale at least 90% of the yearly statewide harvest objective.

Senate Bill 303 (S-1) would amend Part 511 (Commercial Forests) of NREPA to:

- Allow money in the Land Exchange Facilitation Fund to be used for the costs of surveys and environmental assessments incurred by the DNR in land transactions, and the costs of natural resource management for public recreation activities and public recreation development projects on DNR land.
- Rename the Fund 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. Each bill would take effect 90 days after enactment.

MCL 324.301 et al. (S.B. 302)
324.2134 et al. (S.B. 303)

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

Senate Bill 302 (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 require the DNR to charge a fee of \$300 (or \$300 plus actual reasonable processing costs) for an application to exchange private land for State-owned land deemed surplus or buy surplus land directly. The bill would allow the DNR to charge an application fee of \$300 or actual processing costs for an easement over State-owned land. 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 the application. 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 303 (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, and various natural resource-related activities. 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 2015-16, the Fund received about \$2.6 million in revenue, had \$3.4 million in expenditures, and ended the year with a balance of about \$4.3 million.

Date Completed: 5-12-17

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.