

**SUBSTITUTE FOR
HOUSE BILL NO. 5777**

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending sections 2104, 2132, and 2165 (MCL 324.2104, 324.2132,
and 324.2165), sections 2104 and 2132 as amended by 2018 PA 238 and
section 2165 as added by 2018 PA 240.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2104. (1) Any of the lands under the control of the
2 department, the title to which is in this state, and which may be
3 sold and conveyed may be exchanged for lands of equal area or
4 approximately equal value belonging to the United States or owned
5 by private individuals if it is in the interest of this state to do
6 so.

7 (2) If the department charged an application fee for a



1 proposed sale of land under this section and the state land
2 proposed for sale is instead sold to another party within 3 years
3 after the date a completed application was received by the
4 department from the prior applicant, the department shall refund
5 the application fee in full to the prior applicant if the prior
6 applicant has informed the department of his or her current
7 address.

8 (3) Effective 60 days after the department receives an
9 application from a private individual to exchange that individual's
10 land for surplus state land, the application shall be considered to
11 be complete unless the department proceeds as provided under
12 subsection (4).

13 (4) If, before the expiration of the 60-day period under
14 subsection (3), the department notifies the applicant, in writing,
15 that the application is not complete, specifying the information
16 necessary to make the application complete, or that the fee
17 required under subsection (6) has not been paid, specifying the
18 amount due, the running of the 60-day period under subsection (3)
19 is tolled until the applicant submits to the department the
20 specified information or fee amount due, at which time the
21 application shall be considered to be complete.

22 (5) Within ~~180~~**210** days after the application is complete, or
23 a later date agreed to by the applicant and the department, the
24 department shall approve or deny the application and notify the
25 applicant in writing. If the department denies the application, the
26 notice shall set forth the specific reasons for the denial.

27 (6) The department shall charge a fee for an application for
28 the exchange of state land. The fee shall be \$300.00 plus, if the
29 state land is more than 300 acres in size, the actual reasonable



1 cost of processing the application.

2 Sec. 2132. (1) Subject to subsection (2), the department may
3 sell surplus land at a price established using the method that the
4 department determines to be most appropriate, such as any of the
5 following:

6 (a) Appraisal, subject to section 2132a.

7 (b) Appraisal consulting.

8 (c) A schedule adopted by the department for pricing property
9 with uniform characteristics and low utility.

10 (d) The true cash value of nearby land as determined by the
11 local assessor.

12 (2) If the department offers tax reverted land for sale and
13 the land is not sold within 9 months, the department may sell the
14 land to a qualified buyer who submits an offer that represents a
15 reasonable price for the property as determined by the department.

16 (3) The sale of surplus land shall be conducted by the
17 department through 1 of the following methods:

18 (a) A public auction sale.

19 (b) A negotiated sale.

20 (4) Subject to subsection (1), the sale of surplus land
21 through a public auction sale shall be to the highest bidder.

22 (5) Effective 60 days after the department receives an
23 application to purchase surplus land through a negotiated sale, the
24 application shall be considered to be complete unless the
25 department proceeds as provided under subsection (6).

26 (6) If, before the expiration of the 60-day period under
27 subsection (5), the department notifies the applicant, in writing,
28 that the application is not complete, specifying the information
29 necessary to make the application complete, or that the fee



1 required under subsection (8) has not been paid, specifying the
2 amount due, the running of the 60-day period under subsection (5)
3 is tolled until the applicant submits to the department the
4 specified information or fee amount due, at which time the
5 application shall be considered to be complete. Notice under this
6 subsection shall include a statement of the requirements of
7 subsection (12).

8 (7) Within ~~180~~**210** days after the application is considered to
9 be complete, or a later date agreed to by the applicant and the
10 department, the department shall approve or deny the application
11 and notify the applicant in writing. If the department denies the
12 application, the notice shall set forth the specific reasons for
13 the denial.

14 (8) The department shall charge a fee for an application for
15 the purchase of surplus land. The fee shall be \$300.00 plus, if the
16 surplus land is more than 300 acres in size, the actual reasonable
17 cost of processing the application.

18 (9) A notice of the **proposed** sale of surplus land shall be
19 given as provided in section 2165.

20 (10) The proceeds from the sale of surplus land shall be
21 deposited into the fund.

22 (11) Surplus land that is sold under this subpart shall be
23 conveyed by quitclaim deed approved by the attorney general.

24 (12) Each application, as may be later amended or
25 supplemented, submitted by a private person under subsection (3) (b)
26 for the purchase of the land ~~identified in that application as a~~
27 ~~prospect for purchase~~ shall be considered and acted upon by the
28 department to final decision before any other application submitted
29 at a later date by a different private person for the purchase or



1 exchange of the same land. However, if an application is not
 2 completed or the fee under subsection (8) is not paid within 60
 3 days after the department notifies the applicant under subsection
 4 (6) that the application is incomplete or that the fee has not been
 5 paid, the department shall consider and act upon to final decision
 6 an application submitted at a later date that is completed and for
 7 which the fee has been paid before that previously submitted
 8 application.

9 (13) In a land transaction, the department may give preference
 10 to a local unit of government but shall not give preference to any
 11 other person.

12 Sec. 2165. (1) At least 30 days before ~~disposing of,~~
 13 ~~acquiring, leasing, or developing~~ **acquiring, or making a decision**
 14 **to dispose of, lease, or develop,** lands that are more than 80 acres
 15 in size, the department shall do all of the following:

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

18 (b) Post the notice on its website.

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

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

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

26 (b) The proposed timing of the land transaction.

27 (c) The proposed use for the land.

28 (d) The opportunity for the legislative body of a local unit
 29 of government where the land is located, or 5 or more residents of



1 or owners of land in the county where the land is located, to
2 request a general public meeting on the proposed transaction and
3 the date by which the request must be received by the department
4 under subsection (3).

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

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

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

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

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

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

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

29 (4) The department shall provide notice of a meeting under



1 subsection (3) by all of the following means:

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

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

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

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

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

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

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

17 (7) As used in this section:

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

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

