

**SUBSTITUTE FOR
HOUSE BILL NO. 5114**

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 52706 (MCL 324.52706), as amended by 2004 PA
377.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 52706. (1) The department, the department of treasury, or
2 ~~either~~ A state officer having charge of state land, may sell
3 homestead, tax, swamp, or primary school land to a public agency
4 for forestry purposes, at a price set by the department, department
5 of treasury, or other state officer. However, the amount of land
6 sold shall not exceed the amount that may be necessary for the
7 public agency, and any land that is sold shall be suitable for and
8 used solely for a forestry purpose unless conveyed as provided in

1 this section. ~~Prime land~~ **LAND** sold to a public agency under this
2 section **OR SECTION 6 OF FORMER 1931 PA 217** shall be used only for a
3 forestry purpose **IF THE LAND IS PRIME LAND**. When the prime land is
4 no longer used for a forestry purpose, the land shall revert to
5 this state.

6 (2) Except as provided in subsection ~~-(5)-~~ **(6)**, the department
7 shall ~~not retain~~ **RELINQUISH** a reversionary interest in municipal
8 forestland, conveyed to a public agency under this section **OR**
9 **SECTION 6 OF FORMER 1931 PA 217** before ~~the effective date of the~~
10 ~~amendatory act that added this subsection.~~ The department shall
11 ~~relinquish any such reversionary interest within 3 years after the~~
12 ~~effective date of the amendatory act that added this subsection or~~
13 **OCTOBER 12, 2004**, within 90 days after the department receives, **ON**
14 **A FORM PRESCRIBED BY THE DEPARTMENT**, a written request for
15 relinquishment from the public agency that owns the municipal
16 forestland subject to the reversionary interest. ~~—, whichever is~~
17 ~~earlier.~~ The department shall relinquish its reversionary interest
18 by an instrument approved by the department of attorney general and
19 recorded **BY THE DEPARTMENT** with the register of deeds of the county
20 where the municipal forestland is located. The instrument shall
21 include provisions implementing ~~subsection (3)-~~ **SUBSECTIONS (3)**
22 **THROUGH (9). THE DEPARTMENT MAY CHARGE THE PUBLIC AGENCY AN AMOUNT**
23 **EQUAL TO THE CHARGE FOR RECORDING THE RELEASE.**

24 (3) Beginning 4 years after the effective date of the **2006**
25 amendatory act that ~~added~~ **AMENDED** this subsection, a public
26 agency to which a reversionary interest was relinquished under
27 subsection (2) shall not convey the municipal forestland formerly

1 subject to the reversionary interest unless the conveyance is
2 approved by the department.

3 (4) ~~A~~ **SUBJECT TO SUBSECTION (5),** A public agency to which a
4 reversionary interest was relinquished under subsection (2) **AND ANY**
5 **PUBLIC AGENCY THAT IS A SUCCESSOR IN INTEREST** shall not convey the
6 municipal forestland formerly subject to the reversionary interest,
7 ~~for less than fair market value. If a public agency to which a~~
8 ~~reversionary interest was relinquished under subsection (2) conveys~~
9 ~~the municipal forestland formerly subject to the reversionary~~
10 ~~interest, the public agency shall distribute the proceeds of the~~
11 ~~conveyance as follows:~~

12 ~~— (a) Except as provided in subdivision (b), 50% of the proceeds~~
13 ~~shall be retained by that public agency and~~ **OR ANY PART THEREOF,**
14 **UNLESS THE CONVEYANCE IS TO A PUBLIC AGENCY FOR \$1.00 OR TO A**
15 **PUBLIC AGENCY OR ANY OTHER PERSON FOR FAIR MARKET VALUE. IF THE**
16 **CONVEYANCE IS TO A PUBLIC AGENCY FOR \$1.00, THE DEED SHALL RECITE**
17 **"MCL 324.52706 REQUIRES AN ACCOUNTING AND SPECIFIES HOW PROCEEDS**
18 **ARE TO BE DISTRIBUTED WHEN THE PROPERTY IS SUBSEQUENTLY CONVEYED**
19 **FOR FAIR MARKET VALUE." IF THE CONVEYANCE IS TO A PUBLIC AGENCY OR**
20 **ANY OTHER PERSON FOR FAIR MARKET VALUE, THE PUBLIC AGENCY CONVEYING**
21 **THE PROPERTY SHALL HAVE AN ACCOUNTING TAKEN, SHALL RETAIN 50% OF**
22 **THE PROCEEDS, AND SHALL SUBMIT** the remaining 50% of the proceeds
23 ~~shall be submitted~~ to the department of treasury for deposit as
24 follows:

25 (A) ~~(i)~~ The first \$18,000,000.00 in total proceeds from all
26 such conveyances shall be deposited in the general fund.

27 (B) ~~(ii)~~ Any proceeds in excess of \$18,000,000.00 shall be

1 deposited in the fire protection fund created in section 732a of
2 the Michigan vehicle code, 1949 PA 300, MCL 257.732a.

3 ~~—— (b) If the municipal forestland is conveyed to another public~~
4 ~~agency, all of the proceeds shall be retained by the public agency~~
5 ~~conveying the municipal forestland.~~

6 (5) ONCE THE MUNICIPAL FORESTLAND OR PART THEREOF FORMERLY
7 SUBJECT TO A REVERSIONARY INTEREST IS CONVEYED FOR FAIR MARKET
8 VALUE AND AN ACCOUNTING IS TAKEN AND THE PROCEEDS ARE DISTRIBUTED
9 AS PROVIDED UNDER SUBSECTION (4), SUBSECTION (4) DOES NOT APPLY TO
10 SUBSEQUENT CONVEYANCES OF THAT MUNICIPAL FORESTLAND OR PART
11 THEREOF, RESPECTIVELY.

12 (6) ~~—(5)—~~ Subsection (2) does not apply to prime land.

13 (7) ~~—(6)—~~ A public agency to which a reversionary interest is
14 relinquished under subsection (2) shall not convey the municipal
15 forestland formerly subject to the reversionary interest to a third
16 person unless the public agency has conducted a public hearing on
17 the proposed conveyance. The public agency may conduct a second
18 public hearing on the proposed conveyance if the public agency
19 determines that a second public hearing may be necessary. Notice of
20 a public hearing under this subsection shall be published at least
21 twice in a newspaper of general circulation in the county or
22 counties where the municipal forestland is located, not more than
23 28 or less than 7 days before the hearing. The notice shall
24 describe where the municipal forestland is located, specify the
25 approximate size of the municipal forestland, describe its current
26 use, and identify the person to whom the municipal forestland is
27 proposed to be sold, if known. **THE PUBLIC AGENCY SHALL PROVIDE A**

House Bill No. 5114 (H-1) as amended March 1, 2006

1 COPY OF THE NOTICE TO THE DIRECTOR OF THE DEPARTMENT NOT LESS THAN
2 7 DAYS BEFORE THE HEARING.

3 (8) ~~-(7)-~~ The requirements of subsection ~~-(6)-~~ (7) do not
4 relieve the public agency of any notice, hearing, or other
5 requirements imposed by any other law.

6 (9) ~~-(8)-~~ If, before 4 years after the effective date of the [2006]
7 amendatory act that [added AMENDED] this subsection, municipal forestland
8 formerly subject to a reversionary interest that was relinquished
9 under subsection (2) is conveyed by [~~the public agency to which the~~
10 ~~reversionary interest was relinquished under subsection (2)~~ A PUBLIC
11 AGENCY], the
12 public agency shall notify the department within 60 days of the
13 conveyance. Notice of the conveyance shall be in a form prescribed
14 by the department.

14 (10) ~~-(9)-~~ If municipal forestland was conveyed to a public
15 agency under this section OR SECTION 6 OF FORMER 1931 PA 217 and
16 the municipal forestland is subsequently conveyed by the public
17 agency to the department, then, for purposes of subparts 13 and 14
18 of part 21, the municipal forestland shall not be considered to
19 have been reacquired by the department on or after January 1, 1933
20 for natural resource purposes unless the municipal forestland was
21 originally acquired by the department on or after January 1, 1933
22 for natural resource purposes.

23 (11) ~~-(10)-~~ As used in this section:
24 [(A) "BASAL AREA" MEANS THE SUM OF THE CROSS-SECTIONAL AREA OF
25 TREES 4 INCHES OR GREATER IN DIAMETER MEASURED AT 4.5 FEET FROM THE
26 HIGHEST GROUND AT THE BASE OF EACH TREE.

24 (B) ~~(a)-~~ "Municipal forestland" means homestead, tax, swamp, or
25 primary school land sold to a public agency under this section OR
26 SECTION 6 OF FORMER 1931 PA 217 solely for a forestry purpose.

27 [(C) ~~(b)-~~] "Prime land" means ~~land~~ MUNICIPAL FORESTLAND that meets

House Bill No. 5114 (H-1) as amended March 1, 2006

1 or more of the following requirements:

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

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

(iii) Is not less than ~~80~~ 121 acres in size and, at any time during the preceding 10 years, had a [] basal area of not less than 90 square feet per acre.

[(D) ~~(e)~~] "Public agency" means a school district, public educational institution, governmental unit of this state or agency of this state, or a municipality.

[]

(12) THE USE IN THIS SECTION OF THE PHRASE "THIS SECTION OR SECTION 6 OF FORMER 1931 PA 217" DOES NOT IMPLY THAT THE TERM "THIS SECTION" AS USED ELSEWHERE IN THIS ACT DOES NOT INCLUDE THE RELEVANT SECTION AS IT EXISTED IN FORMER LAW CODIFIED IN THIS ACT.