

# SENATE BILL NO. 26

January 23, 2025, Introduced by Senator KLINEFELT and referred to Committee on Transportation and Infrastructure.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 52706 (MCL 324.52706), as amended by 2012 PA 488.

**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 a  
4 forestry or recreational purpose, or both, at a price set by the  
5 department, the department of treasury, or the state officer.

1 However, the amount of land sold ~~shall~~**must** not exceed the amount  
2 that may be necessary for the public agency, and any land that is  
3 sold ~~shall~~**must** be suitable for and used for a forestry or  
4 recreational purpose, or both, unless conveyed as provided in this  
5 section. Land sold to a public agency under this section or section  
6 6 of former 1931 PA 217 ~~shall~~**must** be used only for a forestry or  
7 recreational purpose, or both, if the land is prime land. When the  
8 prime land is no longer used for a forestry or recreational  
9 purpose, or both, the land ~~shall~~**must** revert to this state.

10 (2) Except as provided in subsection (6), the department shall  
11 relinquish a reversionary interest in municipal forestland,  
12 conveyed to a public agency under this section or section 6 of  
13 former 1931 PA 217 before October 12, 2004, ~~within~~**not later than**  
14 90 days after the department receives, on a form prescribed by the  
15 department, a written request for relinquishment from the public  
16 agency that owns the municipal forestland subject to the  
17 reversionary interest. The department shall relinquish its  
18 reversionary interest by an instrument approved by the department  
19 of attorney general and recorded by the department with the  
20 register of deeds of the county where the municipal forestland is  
21 located. The instrument ~~shall~~**must** include provisions implementing  
22 subsections (3) ~~through~~**to** (8). The department may charge the  
23 public agency an amount equal to the charge for recording the  
24 release.

25 (3) A public agency to which a reversionary interest was  
26 relinquished under subsection (2) shall not convey the municipal  
27 forestland formerly subject to the reversionary interest unless the  
28 conveyance is approved by the department.

29 (4) Subject to subsection (5), a public agency to which a

1 reversionary interest was relinquished under subsection (2) and any  
2 public agency that is a successor in interest shall not convey the  
3 municipal forestland formerly subject to the reversionary interest,  
4 or any part thereof, **of the municipal forestland**, unless the  
5 conveyance is to a public agency for \$1.00 or to a public agency or  
6 any other person for fair market value. If the conveyance is to a  
7 public agency for \$1.00, the deed ~~shall~~ **must** recite "MCL 324.52706  
8 requires an accounting and specifies how proceeds are to be  
9 distributed when the property is subsequently conveyed for fair  
10 market value.". If the conveyance is to a public agency or any  
11 other person for fair market value, the public agency conveying the  
12 property ~~shall~~ **must** have an accounting taken, ~~shall~~ retain 50% of  
13 the proceeds, and ~~shall~~ submit the remaining 50% of the proceeds to  
14 the department of treasury for deposit as follows:

15 ~~(a) The first \$18,000,000.00 in total proceeds from all such~~  
16 ~~conveyances shall be deposited in~~ **into** the general fund.

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

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

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

28 (7) A public agency to which a reversionary interest is  
29 relinquished under subsection (2) shall not convey the municipal

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

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

19 (9) If municipal forestland was conveyed to a public agency  
20 under this section or section 6 of former 1931 PA 217 and the  
21 municipal forestland is subsequently conveyed by the public agency  
22 to the department, then, for purposes of subparts 13 and 14 of part  
23 21, the municipal forestland ~~shall~~**must** not be considered to have  
24 been reacquired by the department on or after January 1, 1933 for  
25 natural resource purposes unless the municipal forestland was  
26 originally acquired by the department on or after January 1, 1933  
27 for natural resource purposes.

28 (10) As used in this section:

29 (a) "Basal area" means the sum of the cross-sectional area of

1 trees 4 inches or greater in diameter measured at 4.5 feet from the  
2 highest ground at the base of each tree.

3 (b) "Municipal forestland" means homestead, tax, swamp, or  
4 primary school land sold to a public agency under this section or  
5 section 6 of former 1931 PA 217 for a forestry or recreational  
6 purpose, or both.

7 (c) "Prime land" means municipal forestland that meets 1 or  
8 more of the following requirements:

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

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

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

15 (d) "Public agency" means a school district, public  
16 educational institution, governmental unit of this state or agency  
17 of this state, or a municipality.

18 (e) "Recreational purpose" includes any motorized or  
19 nonmotorized recreational activity.

20 (11) The use in this section of the phrase "this section or  
21 section 6 of former 1931 PA 217" does not imply that the term "this  
22 section" as used elsewhere in this act does not include the  
23 relevant section as it existed in former law codified in this act.

24 Enacting section 1. This amendatory act takes effect 90 days  
25 after the date it is enacted into law.