

## Appendix B

DRAFT 2

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~~ **who has** charge of state land, may sell  
3 homestead, tax, swamp, or primary school land to a public agency  
4 for a forestry or recreational purpose, or both, at a price set by  
5 the department, the department of treasury, or the state officer.  
6 However, the amount of land sold ~~shall~~ **must** not exceed the amount



1 that ~~may be~~**is** necessary for the public agency, and any land that  
 2 is sold ~~shall~~**must** be suitable for and used for a forestry or  
 3 recreational purpose, or both, unless conveyed as provided in this  
 4 section. Land sold to a public agency under this section or section  
 5 6 of former 1931 PA 217 ~~shall~~**must** be used only for a forestry or  
 6 recreational purpose, or both, if the land is prime land. When the  
 7 prime land is no longer used for a forestry or recreational  
 8 purpose, or both, the land ~~shall revert~~**reverts** to this state.

9 (2) Except as provided in subsection (6), the department shall  
 10 relinquish a reversionary interest in municipal forestland,  
 11 conveyed to a public agency under this section or section 6 of  
 12 former 1931 PA 217 before October 12, 2004, within 90 days after  
 13 the department receives, on a form prescribed by the department, a  
 14 written request for relinquishment from the public agency that owns  
 15 the municipal forestland subject to the reversionary interest. The  
 16 department shall relinquish its reversionary interest by an  
 17 instrument approved by the department of attorney general and  
 18 recorded by the department with the register of deeds of the county  
 19 where the municipal forestland is located. The instrument ~~shall~~  
 20 **must** include provisions implementing subsections (3) ~~through to~~  
 21 (8). The department may charge the public agency an amount equal to  
 22 the charge for recording the release.

23 (3) A public agency to which a reversionary interest ~~was~~**is**  
 24 relinquished under subsection (2) shall not convey the municipal  
 25 forestland formerly subject to the reversionary interest unless the  
 26 conveyance is approved by the department. **The department shall**  
 27 **approve the conveyance if it is to a nonprofit entity as described**  
 28 **in subsection (10) (d) (ii) .**

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



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

17 (b) Any proceeds in excess of \$18,000,000.00 ~~shall~~**must** 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 (5) Once ~~the~~ municipal forestland or part ~~thereof~~**of municipal**  
 21 **forestland** formerly subject to a reversionary interest is conveyed  
 22 for fair market value and an accounting is taken and the proceeds  
 23 are distributed as provided under subsection (4), subsection (4)  
 24 does not apply to subsequent conveyances of that municipal  
 25 forestland or part ~~thereof,~~**respectively.of municipal forestland.**

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

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



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

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

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

27 (10) As used in this section:

28 (a) "Basal area" means the sum of the cross-sectional area of  
29 trees 4 inches or greater in diameter measured at 4.5 feet from the



1 highest ground at the base of each tree.

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

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

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

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

11 (iii) Is not less than 121 acres in size and, at any time during  
12 the preceding 10 years, had a basal area of not less than 90 square  
13 feet per acre. **However, municipal forestland is not prime land**  
14 **under this subparagraph if the land is conveyed to a nonprofit**  
15 **entity as described in subdivision (d) (ii) .**

16 (d) "Public agency" means ~~a~~any of the following:

17 (i) **A** school district, public educational institution,  
18 governmental unit of this state or agency of this state, or ~~a~~  
19 municipality.

20 (ii) **For purposes of a conveyance under subsection (4) from a**  
21 **public agency to which a reversionary interest is relinquished**  
22 **under subsection (2) , a nonprofit entity, such as a community land**  
23 **trust, that is formed to develop and administer the use of the land**  
24 **conveyed for attainable seasonal and permanent workforce housing.**

25 (e) "Recreational purpose" includes any motorized or  
26 nonmotorized recreational activity.

27 (11) The use in this section of the phrase "this section or  
28 section 6 of former 1931 PA 217" does not imply that the term "this  
29 section" as used elsewhere in this act does not include the



1 relevant section as it existed in former law codified in this act.

