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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 4060 (Substitute S-1 as reported)  
Sponsor: Representative William Bobier  
House Committee: Forestry and Mineral Rights  
Senate Committee: Economic Development, International Trade and Regulatory Affairs

## **CONTENT**

The bill would amend the Natural Resources and Environmental Protection Act to provide for the designation of State land reserves. The bill specifies that the Natural Resources Commission would have to place the question of designation of a State land reserve on its agenda upon petition by a person, recommendation of the Department of Natural Resources (DNR), or its own motion. A tract of land would be eligible for Commission consideration if it included at least 640 contiguous acres of State-owned land and contained one or more of the following regulated areas: a critical dune, a high-risk area, a wetland, an endangered species, a wilderness area, a natural area, a natural river, or any other significant surface or subsurface natural feature or area of environmental sensitivity.

Before making its recommendation, the Commission would have to receive public testimony. After considering the public testimony, the Commission would have to issue a recommendation to the Legislature on whether a State land reserve should be designated. The Commission would have to consider the need for a buffer zone surrounding the land to eliminate the potential drainage of oil and gas. The Commission would have to include a rationale for its recommendation and could expand or restrict the proposed land area.

A member of the Legislature also could offer a resolution to create a State land reserve. The Legislature would have to consider the need for a buffer zone to eliminate potential oil and gas drainage. If the Legislature adopted the resolution by two-thirds of the members of each house, a State land reserve would be designated. Land within a State land reserve could not be removed from the reserve, sold, leased, or otherwise disposed of except by a resolution of the Legislature.

When a State land reserve had been designated, the DNR would have to attempt to purchase, trade, or otherwise acquire any holdings within the contiguous area of the State land reserve that improved ownership patterns, including any severed mineral rights.

MCL 324.502 et al.

Legislative Analyst: S. Lowe

## **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact, depending on whether a State land reserve was established. If a reserve were established, the Department could experience increased costs to purchase inholdings and boundary properties within a specified period of time, and the State could lose potential revenue from nondevelopment of mineral assets.

Date Completed: 3-18-98

Fiscal Analyst: G. Cutler