

SUBSTITUTE FOR
HOUSE BILL NO. 5313
(As amended May 4, 2004)

[A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 52706 (MCL 324.52706), as amended by 2002 PA
356, and by adding section 2150a.]

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

[Sec. 2150a. (1) The payment in lieu of taxes fund is created in
the state treasury. The fund shall be administered by the department and
shall be used only as provided in section 2150.

(2) Any money, including interest earned by the fund, remaining in
the fund at the end of a fiscal year shall be carried over in the fund to
the next and succeeding fiscal years and shall not be credited to or
revert to the general fund.]

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

1 ~~in this section~~ Prime land sold to a public agency under this
2 section shall be used only for a forestry purpose. When the
3 prime land is no longer used for a forestry purpose, the land
4 shall revert to ~~the~~ this state.

5 (2) Except as provided in subsection (3), the department
6 shall not retain a reversionary interest in municipal forestland
7 conveyed to a public agency under this section before the
8 effective date of the amendatory act that added this subsection.
9 The department shall relinquish any such reversionary interest
10 within 3 years after the effective date of the amendatory act
11 that added this subsection or within 90 days after the department
12 receives a written request for relinquishment from the public
13 agency that owns the municipal forestland subject to the
14 reversionary interest, whichever is earlier. A public agency to
15 which a reversionary interest was relinquished under this
16 subsection shall not convey the municipal forestland formerly
17 subject to the reversionary interest for less than fair market
18 value. If a public agency to which a reversionary interest was
19 relinquished under this subsection conveys the municipal
20 forestland formerly subject to the reversionary interest, the
21 public agency shall distribute the proceeds of the conveyance as
22 follows:

23 (a) Except as provided in subdivision (b), 50% of the
24 proceeds shall be retained by that public agency and [the remaining 50%
25 of the proceeds shall be submitted to the department of treasury for
26 deposit as follows:

(i) To the fire protection fund created in section 732a of the Michigan vehicle code, 1949 PA 300, MCL 257.732a, until the fire protection fund is fully funded as provided by law.

(ii) If the fire protection fund created in section 732a of the Michigan vehicle code, 1949 PA 300, MCL 257.732a, is fully funded as provided by law, to the land exchange facilitation fund created in

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section 2134, until the land exchange facilitation fund is fully funded as provided by law.

(iii) If both the fire protection fund created in section 732a of the Michigan vehicle code, 1949 PA 300, MCL 257.732a, and the land exchange facilitation fund created in section 2134 are fully funded as provided by law, all of the remaining balance to the payment in lieu of taxes fund created in section 2150a.]

27 (b) If the municipal forestland is conveyed to another

1 public agency, all of the proceeds shall be retained by the
2 public agency conveying the municipal forestland.

3 (3) Subsection (2) does not apply to prime land.

4 (4) A public agency to which a reversionary interest is
5 relinquished under subsection (2) shall not convey the municipal
6 forestland formerly subject to the reversionary interest to a
7 third person unless the public agency has conducted a public
8 hearing on the proposed conveyance. Notice of the public hearing
9 shall be published at least twice in a newspaper of general
10 circulation in the county or counties where the municipal
11 forestland is located, not more than 28 or less than 7 days
12 before the hearing. The notice shall describe where the
13 municipal forestland is located, specify the approximate size of
14 the municipal forestland, describe its current use, and identify
15 the person to whom the municipal forestland is proposed to be
16 sold, if known.

17 (5) The requirements of subsection (4) do not relieve the
18 public agency of any notice, hearing, or other requirements
19 imposed by any other law.

20 (6) If municipal forestland formerly subject to a
21 reversionary interest that was relinquished under subsection (2)
22 is conveyed by the public agency to which the reversionary
23 interest was relinquished under subsection (2), the public agency
24 shall notify the department within 60 days of the conveyance.
25 Notice of the conveyance shall be in a form prescribed by the
26 department.

27 (7) If municipal forestland was conveyed to a public agency

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1 under this section and the municipal forestland is subsequently
2 conveyed by the public agency to the department, then, for
3 purposes of subparts 13 and 14 of part 21, the municipal
4 forestland shall not be considered to have been reacquired by the
5 department on or after January 1, 1933 for natural resource
6 purposes unless the municipal forestland was originally acquired
7 by the department on or after January 1, 1933 for natural
8 resource purposes.

9 (8) As used in this section:

10 (a) "Municipal forestland" means homestead, tax, swamp, or
11 primary school land sold to a public agency under this section
12 solely for a forestry purpose.

13 (b) "Prime land" means land that meets 1 or more of the
14 following requirements:

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

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

17 (c) "Public agency" means a school district, public
18 educational institution, governmental unit of this state or
19 agency of this state, or a municipality.