

**SUBSTITUTE FOR  
HOUSE BILL NO. 5777**

A bill to amend 1994 PA 451, entitled  
"Natural resources and environmental protection act,"  
by amending sections 2104, 2132, and 2165 (MCL 324.2104, 324.2132,  
and 324.2165), sections 2104 and 2132 as amended by 2018 PA 238 and  
section 2165 as added by 2018 PA 240.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 2104. (1) Any of the lands under the control of the  
2 department, the title to which is in this state, and which may be  
3 sold and conveyed may be exchanged for lands of equal area or  
4 approximately equal value belonging to the United States or owned  
5 by private individuals if it is in the interest of this state to do  
6 so.

7           (2) If the department charged an application fee for a



1 proposed sale of land under this section and the state land  
2 proposed for sale is instead sold to another party within 3 years  
3 after the date a completed application was received by the  
4 department from the prior applicant, the department shall refund  
5 the application fee in full to the prior applicant if the prior  
6 applicant has informed the department of his or her current  
7 address.

8 (3) Effective 60 days after the department receives an  
9 application from a private individual to exchange that individual's  
10 land for surplus state land, the application shall be considered to  
11 be complete unless the department proceeds as provided under  
12 subsection (4).

13 (4) If, before the expiration of the 60-day period under  
14 subsection (3), the department notifies the applicant, in writing,  
15 that the application is not complete, specifying the information  
16 necessary to make the application complete, or that the fee  
17 required under subsection (6) has not been paid, specifying the  
18 amount due, the running of the 60-day period under subsection (3)  
19 is tolled until the applicant submits to the department the  
20 specified information or fee amount due, at which time the  
21 application shall be considered to be complete.

22 (5) Within ~~180~~**210** days after the application is complete, or  
23 a later date agreed to by the applicant and the department, the  
24 department shall approve or deny the application and notify the  
25 applicant in writing. If the department denies the application, the  
26 notice shall set forth the specific reasons for the denial.

27 (6) The department shall charge a fee for an application for  
28 the exchange of state land. The fee shall be \$300.00 plus, if the  
29 state land is more than 300 acres in size, the actual reasonable



1 cost of processing the application.

2 Sec. 2132. (1) Subject to subsection (2), the department may  
3 sell surplus land at a price established using the method that the  
4 department determines to be most appropriate, such as any of the  
5 following:

6 (a) Appraisal, subject to section 2132a.

7 (b) Appraisal consulting.

8 (c) A schedule adopted by the department for pricing property  
9 with uniform characteristics and low utility.

10 (d) The true cash value of nearby land as determined by the  
11 local assessor.

12 (2) If the department offers tax reverted land for sale and  
13 the land is not sold within 9 months, the department may sell the  
14 land to a qualified buyer who submits an offer that represents a  
15 reasonable price for the property as determined by the department.

16 (3) The sale of surplus land shall be conducted by the  
17 department through 1 of the following methods:

18 (a) A public auction sale.

19 (b) A negotiated sale.

20 (4) Subject to subsection (1), the sale of surplus land  
21 through a public auction sale shall be to the highest bidder.

22 (5) Effective 60 days after the department receives an  
23 application to purchase surplus land through a negotiated sale, the  
24 application shall be considered to be complete unless the  
25 department proceeds as provided under subsection (6).

26 (6) If, before the expiration of the 60-day period under  
27 subsection (5), the department notifies the applicant, in writing,  
28 that the application is not complete, specifying the information  
29 necessary to make the application complete, or that the fee



1 required under subsection (8) has not been paid, specifying the  
2 amount due, the running of the 60-day period under subsection (5)  
3 is tolled until the applicant submits to the department the  
4 specified information or fee amount due, at which time the  
5 application shall be considered to be complete. Notice under this  
6 subsection shall include a statement of the requirements of  
7 subsection (12).

8 (7) Within ~~180~~**210** days after the application is considered to  
9 be complete, or a later date agreed to by the applicant and the  
10 department, the department shall approve or deny the application  
11 and notify the applicant in writing. If the department denies the  
12 application, the notice shall set forth the specific reasons for  
13 the denial.

14 (8) The department shall charge a fee for an application for  
15 the purchase of surplus land. The fee shall be \$300.00 plus, if the  
16 surplus land is more than 300 acres in size, the actual reasonable  
17 cost of processing the application.

18 (9) A notice of the **proposed** sale of surplus land shall be  
19 given as provided in section 2165.

20 (10) The proceeds from the sale of surplus land shall be  
21 deposited into the fund.

22 (11) Surplus land that is sold under this subpart shall be  
23 conveyed by quitclaim deed approved by the attorney general.

24 (12) Each application, as may be later amended or  
25 supplemented, submitted by a private person under subsection (3)(b)  
26 for the purchase of the land ~~identified in that application as a~~  
27 ~~prospect for purchase~~ shall be considered and acted upon by the  
28 department to final decision before any other application submitted  
29 at a later date by a different private person for the purchase or



1 exchange of the same land. However, if an application is not  
 2 completed or the fee under subsection (8) is not paid within 60  
 3 days after the department notifies the applicant under subsection  
 4 (6) that the application is incomplete or that the fee has not been  
 5 paid, the department shall consider and act upon to final decision  
 6 an application submitted at a later date that is completed and for  
 7 which the fee has been paid before that previously submitted  
 8 application.

9 (13) In a land transaction, the department may give preference  
 10 to a local unit of government but shall not give preference to any  
 11 other person.

12 Sec. 2165. (1) At least 30 days before ~~disposing of,~~  
 13 ~~acquiring, leasing, or developing~~ **acquiring, or making a decision**  
 14 **to dispose of, lease, or develop,** lands that are more than 80 acres  
 15 in size, the department shall do all of the following:

16 (a) Provide notice in writing to the legislative bodies of the  
 17 local units of government where the land is located.

18 (b) Post the notice on its website.

19 (c) Publish the notice in a newspaper of general circulation  
 20 in the county where the land is located.

21 (2) The notice under subsection (1) shall contain all of the  
 22 following information:

23 (a) The acreage, the location by address or by distance and  
 24 direction from specified roads or highways, and the legal  
 25 description of the land.

26 (b) The proposed timing of the land transaction.

27 (c) The proposed use for the land.

28 (d) The opportunity for the legislative body of a local unit  
 29 of government where the land is located, or 5 or more residents of



1 or owners of land in the county where the land is located, to  
 2 request a general public meeting on the proposed transaction and  
 3 the date by which the request must be received by the department  
 4 under subsection (3).

5 (e) A website address where additional information on the  
 6 proposed transaction can be found.

7 (f) For persons who wish to comment on or ask questions about  
 8 the proposed transaction, the name, telephone number, electronic  
 9 mail address, and mailing address of a department contact person.

10 (g) For the website notice, the following additional  
 11 information:

12 (i) For the acquisition, lease from another person, or  
 13 development of land, the fund source that will be used.

14 (ii) For the acquisition of land, the estimated annual payments  
 15 in lieu of taxes.

16 (iii) The effect the proposal is expected to have on achieving  
 17 the strategic performance goals set forth in the strategic plan  
 18 pursuant to section 503(7).

19 (3) If the legislative body of a local unit of government  
 20 where the land is located or 5 or more residents of or owners of  
 21 land in the county where the land is located request a general  
 22 public meeting and the department receives the necessary request or  
 23 requests within 15 days after providing notice under subsection  
 24 (1), the department shall meet with the general public in the  
 25 county where the land is located to discuss the proposed  
 26 disposition, acquisition, lease, or development. The department  
 27 shall send a representative to the meeting who is familiar with the  
 28 proposal.

29 (4) The department shall provide notice of a meeting under



1 subsection (3) by all of the following means:

2 (a) Written notice to the legislative body of each local unit  
3 of government where the land is located.

4 (b) Written notice to each resident or owner of land that  
5 requested the meeting under subsection (3).

6 (c) Posting of the notice on the department's website.

7 (5) The department shall provide an opportunity for  
8 representatives of all local units of government where the land is  
9 located to meet in person with a department representative who is  
10 familiar with the proposed disposition, acquisition, lease, or  
11 development to discuss the proposal.

12 (6) Subsections (1) to (5) do not apply to either of the  
13 following:

14 (a) A lease with a term of 10 years or less.

15 (b) A lease limited to exploration for and production of oil  
16 and gas.

17 (7) As used in this section:

18 (a) "Development" means development that would significantly  
19 change or impact the current use of the land subject to  
20 development. "Developing" has a corresponding meaning. The removal  
21 of a berm, gate, or other human-made barrier under section 504 is  
22 not development.

23 (b) "Newspaper" means that term as defined in section 1461 of  
24 the revised judicature act of 1961, 1961 PA 236, MCL 600.1461.

