

Legislative Analysis



REVISE LAND TRANSACTION TIME FRAMES

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4363 (H-1) as reported from committee
Sponsor: Rep. Gary Howell
Committee: Natural Resources and Outdoor Recreation
Complete to 3-23-21

Analysis available at
<http://www.legislature.mi.gov>

BRIEF SUMMARY: House Bill 4363 would amend Part 21 (General Real Estate Powers) of the Natural Resources and Environmental Protection Act to change certain public land management procedures of the Department of Natural Resources (DNR).

FISCAL IMPACT: House Bill 4363 is unlikely to affect costs or revenues for the Department of Natural Resources.

THE APPARENT PROBLEM:

The Natural Resources and Environmental Protection Act (NREPA) grants the DNR power and jurisdiction over the management, control, and disposition of all public land that is not managed by other state agencies. As part of that jurisdiction, the DNR may accept gifts and grants of land and may buy, sell, exchange, or condemn land and other property. Additionally, the DNR owns a large amount of land that it received through tax reversion. The continued management over these lands is often referred to as public land management and strategic planning.

In the wake of recent amendments to land management and strategic planning procedures,¹ stakeholders have become aware of some issues with timelines, including those that govern when the DNR is required to provide public notice before acquiring, disposing of, leasing, or developing land. Currently, the DNR is not required to give notice before making these land management decisions, which contradicts the rationale for public notice (to seek input from the public on the decisions). Legislation has been offered to address those concerns.

THE CONTENT OF THE BILL:

The bill would amend Subpart 3 (Exchange of State Lands) of Part 21 to extend the time period for the DNR to approve or deny an application for a proposed exchange of surplus state land for land owned by a private individual from 180 days to 210 days.

The bill also would amend Subpart 10 (Land Exchange Facilitation Fund) to extend the time period for the DNR to approve or deny an application for a proposed negotiated sale of surplus state land from 180 days to 210 days.

Finally, the bill would require the DNR to provide public notice at least 30 days before acquiring or making a decision to dispose of, lease, or develop land of more than 80 acres in size.

¹ The DNR's public land management and strategic planning procedures were last amended by 2018 PAs 238, 239, and 240. See <http://legislature.mi.gov/doc.aspx?2017-SB-0302>

(The law currently requires notice to be posted at least 30 days before disposing of, acquiring, leasing, or developing such land. Under the bill, the notice requirements for acquiring land would not change, but for disposing of, leasing, or developing lands, the notice would have to be provided 30 days before the decision to do so is made, rather than 30 days before doing so.)

MCL 324.2104, 324.2132, and 324.2165

ARGUMENTS:

For:

Supporters of the bill argue that the original intent for requiring public input before acquiring, disposing of, leasing, or developing land was to allow for public involvement in the proposed decision regarding the land. However, concerned parties realized, when the public was given only seven days to provide input in one example, that the original language does not require the DNR to give public notice before making a decision to acquire, dispose of, lease, or develop lands, which goes against the original reason for requiring the notice. The disposal, lease, or development of land often affects surrounding communities, and those communities should be allowed to be heard by the DNR before it makes a decision to dispose of, lease, or develop land that would affect that community.

Against:

No arguments against the bill were presented during committee testimony.

POSITIONS:

Representatives of the following entities testified in support of the bill (3-4-21):

- Department of Natural Resources
- Michigan United Conservation Clubs

Legislative Analyst: Emily S. Smith

Fiscal Analyst: Austin Scott

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.