



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 985 (as introduced 8-15-24)
Sponsor: Senator Veronica Klinefelt
Committee: Transportation and Infrastructure

Date Completed: 10-7-24

CONTENT

The bill would amend Part 527 (Municipal Forests) of the Natural Resources and Environmental Protection Act to remove a requirement that any additional proceeds from municipal forestland conveyances above \$18.0 million be deposited into the Fire Protection Fund.

Among other things, Part 527 allows the Department of Natural Resources (DNR), the Department of Treasury, or a State officer in charge of State land to sell homestead, tax, swamp, or primary school land to a public agency for a forestry or recreational purpose, or both. The State holds reversionary interest in its municipal forestlands, i.e., when this land is no longer used for its specified purposes, it reverts back to the State; however, if requested by a public agency to which municipal forestland was conveyed, the DNR must relinquish its reversionary interest in that municipal forestland. This allows public agencies to convey municipal forestland to other public agencies or persons; however, the public agency must obtain the DNR's approval concerning these conveyances.

A public agency may convey municipal forestland to another public agency for \$1.00 or fair market value. A public agency may *only* convey municipal forestland to a *person* for fair market value. If the conveyance is for fair market value, the public agency conveying the property must have an accounting taken. It retains 50% of the proceeds and must submit the remaining 50% to the Department of Treasury.

Currently, the State Treasurer must deposit the first \$18.0 million in total proceeds from the remaining 50% of such conveyances into the General Fund. Any additional proceeds must be deposited in the State's Fire Protection Fund, from which the Department of Licensing and Regulatory Affairs may spend money, upon appropriation, for fire protections grants to cities, villages, and townships with State-owned facilities for fire services. Instead, under the bill, the Department of Treasury would have to deposit the remaining 50% of such conveyances into the General Fund.

The bill would take effect 90 days after its enactment. It is tie-barred to Senate Bill 706, which was enacted as Public Act 113 of 2024 and will allow the Secretary of State to reinstate a license for an individual whose driving privileges were suspended due to a driver responsibility fee without requiring the individual to pay the license reinstatement fee.

MCL 324.52706

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The bill would not have a significant fiscal impact on the State or local units of government. It would not result in any change in overall revenue to the State but could increase revenue to the General Fund by up to \$18.0 million due to the removal of the Fire Protection Fund

deposit. The Fire Protection Grants previously supported by this Fund are now financed from the State's use tax via Local Community Stabilization Authority reimbursements. As a result, the removal of the deposit would not decrease revenue to any local units.

Fiscal Analyst: Elizabeth Raczowski

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.