



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 352 (as enrolled)
 Sponsor: Senator George A. McManus, Jr.
 Senate Committee: Agriculture and Forestry
 House Committee: Tourism and Recreation

Date Completed: 12-19-96

RATIONALE

Public Act 128 of 1995 made a number of capital outlay appropriations for the 1995-96 fiscal year, including providing funding to the Farmland and Open Space Unit of the Department of Natural Resources (DNR) for the purchase of property or development rights for specified parcels of land. At the time the appropriation was made, Part 361 (Farmland and Open Space Preservation) of the Natural Resources and Environmental Protection Act (NREPA) required that funds be used to purchase development rights to preserve in a natural character land that the State considered to be a "unique or critical land area". Public Act 233 of 1996, however, amended Part 361 to provide that the State may purchase development rights on "farmland". Consequently, questions arose as to whether the DNR could spend the appropriated funds for the purchase of the development rights for the parcels specified in Public Act 128. Some people believe that the NREPA should permit the purchase of development rights for unique critical land areas as well as for farmland.

CONTENT

The bill would amend Part 361 of the NREPA to require that proceeds from lien payments made under Part 361 be used by the land use agency within the DNR to purchase development rights of unique or critical land area that did not necessitate direct purchase of the fee interest in the land for which money had been appropriated under Public Act 128 of 1995.

Currently, as amended by Public Act 233 of 1996, the NREPA requires that proceeds from lien

payments be used to administer Part 361 for fiscal years 1991-92 through 1999-2000 and to purchase development rights on farmland that do not necessitate direct purchase of the fee interest in the land. The bill would retain this provision.

(Public Act 128 of 1995 required that funding for farmland and open space preservation be used to purchase property or development rights as follows: Lake Leelanau shoreland parcel A, up to \$67,500; Lake Leelanau shoreland parcel C1, up to \$141,000; Lake Leelanau shoreland parcel C2, up to \$52,000; sand point parcel in Huron County, up to \$420,000; Mackinac Bay parcel, up to \$50,000; and Wayne County sassafras trail, up to \$520,000.)

MCL 324.36111

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

As the result of Public Act 233 of 1996, which amended the NREPA to provide that the State may purchase development rights on farmland, there is some doubt about whether the State can purchase the development rights of certain unique or critical land areas for which appropriations were made under Public Act 128 of 1995. By requiring that proceeds from lien payments made under Part 361 be used to purchase development rights of unique or critical land areas, as well as to purchase development rights on farmland, the bill

would allow the expenditure of funds appropriated for the purchase of property or development rights for certain parcels specified under Public Act 128.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would allow the expenditure of funds appropriated for projects in Public Act 128 of 1995 that otherwise will return to the Farmland and Open Space Preservation Fund because they did not comply with 1996 amendments to the NREPA restricting the projects to only farmland. The 1995-96 appropriation totals \$1,250,500 for purchase of development rights; with approximately \$780,000 in pending purchases that would be affected by this bill.

Fiscal Analyst: G. Cutler

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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.