



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 659 (as enrolled)
Sponsor: Senator Bill Schuette
Committee: Local, Urban and State Affairs

Date Completed: 2-15-96

RATIONALE

According to the Department of Natural Resources (DNR), the State of Michigan accepted a 90.08-acre gift in the City of Newago from Consumers Power Company in 1966. Apparently, the property includes 7,350 feet of frontage on the Muskegon River, and was given to the State as part of the company's Statewide program to dispose of hydroelectric plant sites that had outlived their usefulness. In 1971, the DNR reports, the Michigan State Waterways Commission leased 79.84 acres for 25 years to Newago County for county park use, and the property now is a fully developed park known as Henning County Park. According to the DNR, in 1992 both Newago County and the City of Newago obtained local support for a no-cost jurisdictional transfer of select portions of the acreage to the respective local units for park and recreation purposes. Since the lease to the county apparently has expired, it has been suggested that the State convey the bulk of the property to the county, and the remainder to the city.

CONTENT

The bill would authorize the Department of Natural Resources, on behalf of the State, to convey to Newago County and to the City of Newago various parcels under the jurisdiction of the Department and located in Newago County. The conveyances to the county and the city would be for \$1 each. The State would retain all flowage rights on the parcels.

The conveyances would have to require that the property be used exclusively for public recreation purposes and be open to all residents of the State on the same terms, fees, and conditions; and to provide that, upon termination of that use or use for any other purpose, the State could reenter and repossess the property, terminating the grantee's estate in it, and assuming no liability for any

improvements to it. The conveyances also would have to provide that if the grantee disputed the State's exercise of its right of reentry and failed promptly to deliver possession of the property to the State, the Attorney General could bring an action to quiet title to the property and regain possession of it.

The conveyances would have to be by quitclaim deed approved by the Attorney General, and provide that the State reserved all rights to coal, oil gas, and other nonmetallic minerals found on, within, or under the conveyed lands; that all flowage rights were retained by the State; and that Newago County and the City of Newago would allow right of ingress and egress to the public for fishing and boating purposes on the Muskegon River.

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

In January 1995, the Director of the Department of Natural Resources approved the proposed conveyance. The land to be conveyed to the county consists of 67 acres, and the conveyance to the city includes 23.08 acres. The parcels in question already are part of county and city parks and contain frontage on the Muskegon River, including a boating access site in the Henning County Park. Under the bill, the county and city would have to continue using the land for public recreation purposes, or the State could repossess the property. The bill also would ensure that the State retained flowage rights, and that the county and city allowed public access for fishing and boating purposes on the river. According to the

DNR, having the acreage under local control has several advantages from a Department perspective; parks and recreation grant funding is more easily obtained if the applicant has title and, due to its location within the city, the land can be more efficiently controlled and made available for public use.

Legislative Analyst: S. Margules

FISCAL IMPACT

According to the Department of Natural Resources, the properties in question provide public access to the Muskegon River. The County and City of Newago would assume management of the properties and maintain them for public access. In this instance, to the degree that the property currently is used for a public purpose and would be conveyed for a public purpose, with a reverter clause to protect the public purpose use of the land, there would be no financial impact on the State except in terms of potential revenue associated with outright sale of the property.

Currently, the Department of Natural Resources does not charge a fee for use of the public access sites. If the local unit managing the sites were to charge a fee, which is not prohibited under the legislation, there could potentially, but not obviously, be an impact on the local unit.

Fiscal Analyst: R. Abent

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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.