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CRAWFORD COUNTY CONVEYANCE

House Bill 4979 as passed by the House Second Analysis (1-29-98)

Sponsor: Rep. Allen Lowe
Committee: Regulatory Affairs

THE APPARENT PROBLEM:

Though Grayling Township has the largest land area of any township in the Lower Peninsula, it is one of the few governmental units in northern Michigan without a park. The township has recently seen a 20 percent population growth, and so land is at a premium, especially as 80 percent of the township's land is state- and federally-owned. Representatives of the Department of Natural Resources have worked with township officials to identify a section of state-owned forest that would be suitable for transfer to the township for the purpose of establishing a public park and nature area. Legislation has been proposed to transfer approximately 85 acres of state-owned forest located about one and one-half miles northeast of Grayling to the township.

THE CONTENT OF THE BILL:

The bill would allow the Department of Resources to convey a parcel of land of approximately 85 acres to Grayling Township, Crawford County, for \$1.00. The land would have to be used only for public recreational purposes, with all members of the public subject to the same fees, terms, and conditions. The land would revert to state ownership if used for any other purpose, and the attorney general could bring an action to regain possession of the land if the township disputed the state's right to repossess it. The conveyance would be by quitclaim deed approved by the attorney general and would retain mineral rights to sand, gravel, clay, or other nonmetallic minerals, but would convey rights to coal, oil, gas, and other minerals to the township. (Note: This provision appears to conflict with current law under the Natural Resources and Environmental Protection Agency [MCL 324.503] that requires the state to convey rights to sand, gravel, clay, or other nonmetallic minerals.) Any revenue received under the bill would have to be credited to the general fund.

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, the bill would have an indeterminate impact on state revenues, as the

state would not realize future income derived from the harvest of forest products or development of coal, oil, gas, and other minerals from the property to be conveyed. The local government involved would see an indeterminate increase in costs associated with developing and maintaining the park. (1-29-98)

ARGUMENTS:

For:

Grayling Township, though the largest township in the Lower Peninsula, has no public park facilities for its residents to use. Recently, the Department of Natural Resources and township officials have identified a section of state-owned forest suitable for a local park. The land is located about one and one-half mile northeast of the city of Grayling, and is close to the geographic center of the township, both by area and population. It is also easily accessible from I-75 so that tourists, as well as local residents, can enjoy the park. According to DNR staff, the land currently contains no developed recreational facilities, and is under general forest management and wildlife management. Proposed plans by the township include development of a picnic area, landscaped garden, fenced playground, water and toilet facilities, and nature walk. Long-term plans include an amphitheater and a lighted softball field and tennis court area, and even possibly an educational wildlife recuperation and rehabilitation center. According to township officials, there would not be an admission fee to use the park's facilities. This lovely locale, which fronts on to the east branch of the AuSable River, will provide a much needed and appreciated park for both local residents and the state's many tourists.

Against:

The bill's provision to retain the rights to sand, gravel, clay, and other nonmetallic minerals apparently conflicts with a current provision in the Natural Resources and Environmental Protection Act that requires the state to convey the nonmetallic mineral rights when selling a piece of property. The property in question is being

House Bill 4979 (1-29-98)

conveyed, as opposed to being sold at fair market value, but since the transaction includes consideration of \$1 paid by the township, it is considered a sale.

POSITIONS:

The Department of Natural Resources supports the bill.
(10-9-97)

Grayling Township officials support the bill. (1-12-98)

The Grayling Regional Chamber of Commerce supports the bill. (5-27-97)

Analyst: S. Stutzky

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