
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 714 (as reported with amendment)
Sponsor: Senator Walter H. North
Committee: Local, Urban and State Affairs

CONTENT

The bill would permit the Department of Natural Resources (DNR) to convey for \$1 to the City of St. Ignace certain property located in St. Ignace, in Mackinac County, in exchange for a parcel of property in St. Ignace, to be used for the construction of a boat launch.

The conveyance of the first parcel would have to provide for all of the following: that the first parcel would have to be used as part of an exchange for a second parcel on which a new boat launch facility would be built; the DNR reserved the right to approve the terms of the exchange; any difference in value between the exchanged parcels would be used by the city of St. Ignace to construct a new boat launch with plans provided by the DNR; and, the first parcel would revert back to the State with no liability to the State if, for any reason, the boat launch were not built.

The conveyance would have to be by quitclaim deed approved by the Attorney General and would have to reserve to the State all rights to coal, oil, gas, and other nonmetallic minerals found on, within, or under the conveyed property.

Revenue remaining after the construction of the boat launch would have to be deposited in the State Treasury and credited to the General Fund.

Legislative Analyst: L. Arasim

FISCAL IMPACT

According to the DNR, there is no current appraisal for the parcels being transferred, although the property currently owned by the State is reportedly more valuable than the property owned by the city. The property currently owned by the State has a large dock and a public boat launch located on it, and is adjacent to a marina operated by the city. There is apparently interest in expanding the marina, and the proposed conveyance would allow that expansion to occur. The bill indicates that any difference in value between the two exchanged properties would be used to construct a public boat launch on the new property to be built and maintained by the city. Approximate estimates indicate a potential cost of between \$500,000 and \$1,000,000 to construct a new boat launch. While Section 5 of the bill states that revenue remaining after the construction of the boat launch "shall be deposited in the state treasury", the bill only would provide for an exchange of property and construction of a boat launch by the city.

Finally, there is a lease between the State and the Arnold Company for rental of slip space at the State-owned dock on the State property. The lease generates approximately \$46,800 in annual revenue for the State, which would be turned over to the city.

Date Completed: 11-5-97

Fiscal Analyst: M. Hansen

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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.