

---

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

---

House Bill 5058 (as discharged)  
Sponsor: Representative Pat Gagliardi  
House Committee: Regulatory Affairs  
Senate Committee: Local, Urban and State Affairs

## **CONTENT**

The bill would permit the Department of Natural Resources (DNR), on behalf of the State, to convey for \$1 to the City of St. Ignace, property under the jurisdiction of the DNR that included a State ferry dock, located in St. Ignace, Mackinac County, in exchange for a parcel of property in St. Ignace to be used for the construction of a boat launch.

The conveyance would have to provide for all of the following: the property would have to be used as part of an exchange for land on which a new boat launch facility would be built; if any fee, term, or condition for each activity were imposed on the public for using the boat launch, or if any of the fees, terms, or conditions were waived, resident and nonresident members of the public would be subject to the same fees, terms, conditions, or waivers; the DNR would reserve the right to approve the terms of the exchange; any difference in value between the exchanged parcels would be used by the city to construct a new boat launch with plans provided by the DNR; and, the parcel would revert to the State with no liability to it if, for any reason, the boat launch were not built.

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 4 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: 12-9-97

Fiscal Analyst: M. Hansen

[floor/hb5058](#)

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.