

# Legislative Analysis



## MACKINAC ISLAND STATE PARK COMMISSION

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**House Bill 5674 as enrolled**

**Public Act 181 of 2006**

**Sponsor: Rep. Howard Walker**

**House Committee: Conservation, Forestry, and Outdoor Recreation**

**Senate Committee: Natural Resources and Environmental Affairs**

### **First Analysis (1-31-07)**

**BRIEF SUMMARY:** The bill would authorize the Mackinac Island State Park Commission to accept gifts, grants, and donations, and also to sell real and personal property under its control, including sales at a price lower than fair market value, under certain conditions.

**FISCAL IMPACT:** The bill would have an indeterminate fiscal impact. (See [Background Information](#).)

### **THE APPARENT PROBLEM:**

At the Straits of Mackinac, two of the five Great Lakes converge: Lake Michigan and Lake Huron. Since the mid-1950s, the Straits of Mackinac have been spanned by the nearly five-mile-long Mackinac Bridge, linking Michigan's Upper and Lower Peninsulas.

The area near the straits was home to Michigan's earliest Native American trading communities dating to the early 16<sup>th</sup> century, and later to European missions, forts, fur trading companies, and towns dating to the mid 17<sup>th</sup> century. For example, in 1671, Father Jacques Marquette established a mission at Point St. Ignace, and the French then built forts at St. Ignace and Mackinaw City, on what is now the Michigan mainland.

Mackinac Island lies about four miles east of the bridge in Lake Huron. The Chippewa and Ottawa Indians called the island Michilimackinac, which translates as Great Turtle. In 1761, the French surrendered the straits area to the British who built Fort Mackinac on the island in 1780. In 1796 the United States gained the island, but the British recaptured it in 1812, holding it for three years before returning it to the United States.

The island—three miles long, two miles wide, and nine miles around the shore—currently has a year-round population of about 470 people that swells to nearly 15,000 visitors each day during the summer season. Automobiles are not allowed on the island, so horses and carriages provide all transport as visitors view historic landmarks located among graceful Victorian homes and stately inns built along the island's bluffs. The popular tourist destination is accessible by ferries from Mackinaw City in the Lower Peninsula, and St. Ignace in the Upper Peninsula, and also by small planes. During the winter months, people travel to the island over the ice by snowmobile, marking the snowy trail from the island to St. Ignace with evergreen trees.

Of the island's total area, over 82 percent is preserved as Mackinac Island State Park. In 1875, much of the island was designated as the nation's second national park (Yellowstone being the first in 1872), but in 1895 when Fort Mackinac was decommissioned, the land was given to the state of Michigan, and it became Michigan's first state park. About 80 percent of the parkland is wooded—nearly 1,800 acres. There are 72 miles of roads and trails within the state park, most of them wooded inland trails for use by hikers, bikers, and horseback riders in spring, summer and fall. During winter, many interior eastern trails are groomed for cross-country skiing.

Mackinac Island State Park is governed by the seven-member Mackinac Island State Park Commission, appointed by the governor with the advice and consent of the Senate. The commission is created, under law, within the Department of Natural Resources.

In 1982, the Mackinac Island State Park Commission launched an 85-foot replica of a 1774 merchant sailing vessel, the *Welcome*, whose construction had begun as a bicentennial project. (Originally built by a wealthy French fur trader at the Straits, the craft was later converted by the British military to *His Majesty's Armed Sloop Welcome*, and carried supplies for the British forces during the Revolutionary War era. The *Welcome* sank in a storm in 1781.) A decade after the replica of the *Welcome* was launched by the park commission, it fell into considerable disrepair. Declared unseaworthy, the sloop was transported to Traverse City, where the Maritime Heritage Alliance undertook a 13-year restoration project in which 140 volunteers logged 50,000 hours of effort, replacing virtually every piece of wood in the sloop, including its 65-foot mast. The restored sloop was successfully launched in late June 2005.

The Maritime Alliance would now like to purchase the restored sloop to add to its fleet of historically authentic tall ships and other sailing vessels. However, the Mackinac Island State Park Commission is currently prohibited by statute from selling state park assets.

Legislation has been introduced that would enable the Mackinac Island State Park Commission to sell property under its control, including among other things the sloop *Welcome*, under certain conditions.

### ***THE CONTENT OF THE BILL:***

The bill would amend Part 767 (a chapter entitled the Mackinac Island State Park Commission) of the Natural Resources and Environmental Protection Act to authorize the Mackinac Island State Park Commission to accept gifts, grants, and donations, and to sell real or personal property under its control if all of the following requirements were met:

- The property was sold for fair market value.
- The commission determined that the property was not of current or potential value to the commission's statutory purposes.

- The commission determined that the sale of the property was in the state's best interest.
- The sale of the property was not otherwise prohibited by law.
- The property was zoned residential or commercial and was not contiguous to state park land, if the property were real property.

The determination of fair market value could take into account a commitment by the buyer to keep the property open or accessible to the public. Additionally, if the property were sold to a person who donated labor or materials for the improvement, repair, maintenance, or restoration of the property, the price could be reduced by an amount not greater than the portion of the fair market value attributable to the donation.

Further, currently under the law the commission is authorized to acquire, construct, develop, improve, better, extend, repair, maintain, use, and operate all property, real or personal, necessary to the exercise of its powers conferred by law if, in the judgment of the commission members, the property will increase the beauty and utility of the recreational and historical facilities for the benefit and enjoyment of the public. House Bill 5674 would modify this authority to add that the commission members could also restore, equip, and furnish such properties (including landscaping, driveways, streets, or walkways for such property) necessary or convenient to its mission.

MCL 324.76702

***BACKGROUND INFORMATION:***

According to the Department of History, Arts, and Libraries (HAL), the bill would address specific situations that have arisen for the Commission.

- First, it would allow for the sale of a parcel of land and a replica of a historic British naval vessel from which the combined revenue generated could be approximately \$30,000 to \$50,000.
- Second, it would address the issue of the Commission's legal authority to receive revenue from private sources. This change is proposed to address specifically a possible revenue stream from the ferry boat companies that currently provide the local unit of government on Mackinac Island 50 cents for every bicycle that they ferry over from the mainland. The Commission would like to negotiate a similar arrangement for the parks in order to assist in funding the maintenance of the trails and park land used by these bicyclists. The estimated revenue that could be generated is \$35,000.

(This information is derived from an analysis of the bill by the Senate Fiscal Agency, dated 5-17-06.)

***ARGUMENTS:***

***For:***

Currently, the seven members of the Mackinac Island State Park Commission—appointed by the governor with the advice and consent of the Senate—serve as stewards of Michigan's first state park, Mackinac Island. The statute which creates the Mackinac Island State Park Commission does not currently afford its members enough flexibility to govern the assets of the state park. This bill would allow the sale of park assets, but only under conditions that protected the interests of Michigan citizens.

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■ 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.