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BILL



ANALYSIS

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Senate Bill 1044 (Substitute S-1 as passed by the Senate)  
Sponsor: Senator Jason E. Allen  
Committee: Natural Resources and Environmental Affairs

Date Completed: 3-22-06

### **RATIONALE**

The Mackinac Island State Park Commission owns a vessel named the "Welcome", which is a replica of a sloop built in 1774 by a fur trader at Fort Michillimackinac. The original vessel was purchased by the British navy, and then lost in a storm in 1781. The replica was constructed during the 1970s and dedicated in 1976 in conjunction with the national Bicentennial celebration. The vessel later was declared unseaworthy. In 1992, the Maritime Heritage Alliance (MHA) of Traverse City entered into a 20-year lease with the Mackinac Island State Park Commission, and undertook the restoration of the replica sloop. The MHA would like to obtain formal ownership of the vessel, but current law does not authorize the Commission to sell property.

In addition, the Commission would like to divest itself of land that once was the site of housing for seasonal workers in Mackinaw City. The buildings have been torn down and the land is now vacant. Some people believe that the Commission should be empowered to accept gifts, grants, and donations, and sell the two assets described above.

### **CONTENT**

**The bill would amend Part 767 (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 property under certain circumstances.**

Part 767 authorizes the Commission to exercise specified powers. The bill would add the power to accept gifts, grants, and donations. The bill also would empower the Commission 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.

MCL 324.76702

## **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.)*

Fiscal Analyst: Elizabeth Pratt  
Maria Tyszkiewicz

### **Supporting Argument**

The Maritime Heritage Alliance has indicated that obtaining the title to the "Welcome", so it could be listed as an asset, could facilitate the acquisition of additional grant money for Alliance activities. After the MHA assumed primary stewardship, of the "Welcome" in 1992, volunteers from the Alliance logged more than 40,000 hours over 13 years, and the "Welcome" was finally lowered into the water during the summer of 2005. It would be appropriate to transfer formal ownership of the vessel to the Alliance. By enabling the Commission to sell this property, the bill would help the MHA to continue promoting Michigan's maritime tradition. Additionally, the bill would permit the Commission to sell vacant land that no longer holds any value for the Commission's purposes. These amendments would give the Mackinac Island State Park Commission flexibility to manage its assets effectively.

Legislative Analyst: Julie Koval

## **FISCAL IMPACT**

The bill would provide the authorization necessary for the Commission to conduct sales of real and personal property and to accept revenue that could be available from gifts and bequests. According to the Department of History, Arts, and Libraries, 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 \$0.50 for every bicycle that they ferry over from the mainland. The Commission would like to negotiate a similar deal 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.

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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.