



Senate Fiscal Agency  
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BILL ANALYSIS



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Senate Bill 1536 (as reported without amendment)  
Sponsor: Senator Jud Gilbert, II  
Committee: Transportation

(as enrolled)

Date Completed: 10-2-08

### **RATIONALE**

The City of Petoskey has a proposal to develop a trolley system as part of its greenway plan, making use of an existing segment of track running through the city. The line currently is owned by the State, and is part of the Ann Arbor and Northwest Michigan System, which consists of a half-dozen segments. Under the State Transportation Preservation Act, if the Michigan Department of Transportation sells the system, it must do so without partitioning a segment or a portion of a segment. Because Petoskey has use for only a portion of one segment of the system, it has been suggested that this part of the rail line be excluded from the system, permitting it to be sold separately.

by the State between Durand and Ann Arbor, between Owosso and Thompsonville, between Cadillac and Petoskey, between Walton Junction and Traverse City, between Grawn and Williamsburg, and between Owosso and St. Charles.

The bill would revise that description by excluding the portion of the segment between Cadillac and Petoskey that is located in Petoskey north of Emmet Street.

Under the bill, if MDOT sold a portion of a segment to a local unit of government, the purchase agreement would have to contain restrictions on the use of the property that assured that it remained viable for future rail use and that, upon failure of the purchaser to meet that requirement, the property would revert to MDOT.

### **CONTENT**

**The bill would amend the State Transportation Preservation Act to do the following:**

- Exclude a portion of a segment located in Petoskey from the Ann Arbor and Northwest Michigan system.**
- Require a local unit of government that purchased a portion of a State-owned rail line to ensure that the portion remained viable for future rail use.**

The Act permits the Michigan Department of Transportation (MDOT) to sell or lease segments of State-owned rail lines specified in the Act. The specified rail lines include the Ann Arbor and Northwest Michigan System, which means the rail lines owned

MCL 474.60

### **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.)*

#### **Supporting Argument**

The City of Petoskey has a number of parks, schools, and other green spaces along the waterfront and throughout the city. The city has developed a plan to connect those parks and green spaces with a series of trails and other connectors, creating a citywide greenway corridor. The corridor could be used for recreational activities, including running, walking, and biking, and also as a practical way for residents to get around the

city. The project would encourage greater public use of the city's public spaces, promoting healthy outdoor activities and improving the quality of life in the city.

As part of the corridor, the city has proposed a trolley line that would make use of a portion of State-owned rail line that runs through the city. Since the trolley would run between the downtown area and the city perimeter, commuters could park outside the city and take the trolley downtown, reducing traffic on Highway 31 and other congested arteries.

The city is unable to purchase the rail line under current law, however, unless the portion is separated in statute from the rest of the Ann Arbor and Northwest Michigan System. By excluding from that system a portion of the line in Petoskey, the bill would allow it to be sold to the city for use as a trolley line. To preserve the option of converting the line back to freight and passenger use in the future, the bill would require that the line be maintained as a viable line for future rail use, ensuring that the city did not convert the rail right-of-way to other purposes.

Legislative Analyst: Curtis Walker

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Debra Hollon

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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.