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BILL



ANALYSIS

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Senate Bill 245 (Substitute S-2 as reported)
Sponsor: Senator John Proos
Committee: Economic Development

(as enrolled)

Date Completed: 4-11-11

RATIONALE

For some owners of residential property atop the bluffs along Lake Michigan, access to the lake can be challenging. Although an elevator facilitating beach access might be an appealing solution, the cost of a residential elevator can be prohibitive to an individual homeowner. Some lakefront homeowners associations have proposed installing one elevator for use by all association members. Under current law, however, such a lift would have to meet commercial elevator standards. It has been suggested that a homeowners association should be allowed to install a community residential lift to facilitate access to the Lake Michigan shoreline.

CONTENT

The bill would amend Public Act 227 of 1967, which regulates the inspection, construction, installation, and maintenance of elevators, to specify that the construction standards that apply to a private residential incline elevator would apply to an incline elevator for the exclusive use of members of a homeowners association and their guests in gaining access to the shoreline of a Great Lake or connecting waterway.

The bill also would require a homeowners association to maintain at least \$1.0 million of insurance coverage against liability arising from construction or use of an incline elevator constructed according to the standards that apply to a private residential incline elevator.

"Homeowners association" would mean an incorporated organization of the owners or

lessees of not more than 20 residential dwellings.

MCL 408.806

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 bill would promote economic development by providing for safe, shared access to one of Michigan's greatest natural resources. Current beach access options available to homeowners on high ground can be unappealing for several reasons. Although property owners may build stairs to the beach, frequently the number of necessary steps can be undesirable. In some cases, otherwise prime real estate is unmarketable because potential buyers do not want to climb hundreds of stairs from the beach. Some property owners have constructed golf cart switchbacks down to the lakefront; this, too, can be an unattractive solution because it requires the conversion of large amounts of green space, which interferes with the aesthetic value of the property. Although a residential elevator solves these problems, the cost--approximately \$200,000--can be a significant burden for one homeowner. Evidently, some property owners who have installed residential lifts allow neighbors to use them, which is a violation of current law.

Allowing lakefront residents to share the cost of a residential beach lift, rather than a commercial-grade elevator, through a

homeowners association would facilitate beach access and increase the value of property located along the bluffs. Evidently, much of the land still available for development on Lake Michigan is located on high ground; the lower land already has been developed due to the easy beach access. A common elevator would make property along the Lake Michigan shoreline more attractive to potential buyers, including those from other states. Real estate sales and the associated increase in tourism would result in construction jobs and an expanded tax base.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

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

Fiscal Analyst: Josh Sefton

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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.