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Senate Bill 499 (Substitute S-2 as reported)
Sponsor: Senator Tom Casperson
Committee: Energy and Technology

CONTENT

The bill would amend Part 721 (Michigan Trailways) of the Natural Resources and Environmental Protection Act to do the following:

- Require the Department of Natural Resources (DNR) to authorize the installation of telecommunication facilities on rail-trail land under State ownership or control, upon application of a telecommunication provider and payment of an application fee of up to \$350.
- Require the DNR to grant authorization within 45 days.
- Require the authorization to include certain conditions, including that the telecommunication provider pay to the DNR a one-time use fee of five cents per longitudinal linear foot of the space to be occupied by the telecommunication facilities.
- Create the "Michigan Trailway Development Fund", and require the use fees to be deposited into the Fund.
- Require the DNR to spend Fund money, upon appropriation, only for grants to local units of government and other organizations involved with the use of rail-trails, for the development and maintenance of rail-trails for recreational uses.

The bill provides that it would not affect the rights and duties set forth in any arrangements or agreements for the installation of telecommunication facilities in a rail-trail between the DNR and a provider entered before the bill's effective date. The bill would not create a right for either the DNR or a provider to terminate any preexisting arrangements or agreements.

Proposed MCL 324.72116

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the State. The proposed Michigan Trailway Development Fund would receive revenue from easement application fees paid by telecommunication companies, which could not exceed \$350, and a five-cent use fee charged for each linear foot (which would amount to \$264 per mile) of an easement. It is unknown how many applications would be filed or how many linear feet of telecommunication lines would be granted easements. Money in the Fund would be spent, upon appropriation, on grants to local units of governments and organizations involved with rail-trails and for maintenance and development of rail-trails owned by the State.

The bill also would result in some new administrative costs to the DNR. Department personnel would have to review and approve the applications. It is unlikely that the proposed Fund could be used for these costs, so they would be borne by existing DNR resources.

Date Completed: 12-14-11

Fiscal Analyst: Josh Sefton

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Bill Analysis @ www.senate.michigan.gov/sfa

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