Legislative Analysis

**COST TO LEASE CERTAIN
UNPATENTED LAKE BOTTOMLANDS**

Senate Bill 363 (substitute H-1)
Sponsor: Sen. Tom Casperson
House Committee: Natural Resources
Senate Committee: Natural Resources
Complete to 4-25-16

SUMMARY:

Senate Bill 363 would amend Section 32505 of the Natural Resources and Environmental Protection Act (NREPA) by setting the fee for a lease of certain unpatented lake bottomlands at a rate of not more than $10 annually if certain conditions are met, as described below. The bill would take effect 90 days after the date it is enacted into law.

If a private harbor formed by a breakwater erected on unpatented lake bottomlands is not used by the riparian or littoral owner for commercial purposes, then the fee charged for the lease to occupy the lake bottomlands and for the exclusive use of those harbor waters could not exceed $10 annually. If the riparian or littoral owner agrees to allow the harbor to be used by the public as a harbor of refuge during storms, then the Department of Environmental Quality would be required to waive that $10 charge.

MCL 324.32505

FISCAL IMPACT:

Senate Bill 363 would reduce revenue for the Department of Environmental Quality. This bill sets the fee for granting a deed or lease to unpatented bottomlands at no more than $10 annually and provides for an exemption from this fee. The department is presently collecting fees at a higher rate than provided in SB 363. Consequently, DEQ estimates that it will realize a $166,000 reduction in fee revenue if this bill is enacted into law. Senate bill 363 would have no impact on local units of government.

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