



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 409 (as reported without amendment)
Sponsor: Senator Tom Casperson
Committee: Natural Resources

CONTENT

The bill would amend Part 325 (Great Lakes Submerged Lands) of the Natural Resources and Environmental Protection Act to allow the Department of Environmental Quality to enter into a lease with the owner of waterfront property, occupied for single-family residential purposes, to use the abutting unpatented lake bottomlands and water over those bottomlands for a private harbor if all of the following conditions were met:

- The private harbor was formed by a breakwater erected on unpatented lake bottomlands.
- The private harbor was used exclusively for private, noncommercial recreational watercraft.
- The full term of the lease was 50 years consisting of two 25-year terms.

For a lease entered into on or after the bill's effective date, the consideration would have to be a lump-sum payment at the beginning of the first 25-year term of the agreement of 1% of the current State equalized value of the lessee's waterfront property or payment of the lump sum pursuant to a schedule as agreed by the Department. The same would apply to the second 25-year term of the agreement.

Unless otherwise requested by the lessee and agreed to by the Department, for a lease entered into before the bill's effective date, the Department would be required to credit any lease payment made in 2016 against the future payments owed under the payment agreement between the Department and the lessee.

MCL 324.32505 & 324.32511

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

The bill would likely not have a significant fiscal impact on the Department of Environmental Quality, and would have no fiscal impact on local units of government. Under the bill, the Department would be allowed, in certain circumstances, to lease bottomlands for use as a private noncommercial harbor to property owners with adjacent land. It is not clear where revenue derived from these leases would go; some sections in Part 325 credit revenue to the State General Fund, whereas others credit revenue to the Land and Water Management Permit Fee Fund. In either case, the amount of revenue this bill would likely generate is not expected to be significant.

Date Completed: 6-15-17

Fiscal Analyst: Josh Sefton