



Romney Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

## AMEND SANILAC CONVEYANCE ACT

**House Bill 5887 as enrolled  
Public Act 374 of 1998  
Second Analysis (10-27-98)**

**Sponsor: Rep. Kim Rhead  
House Committee: Regulatory Affairs  
Senate Committee: Economic Development,  
International Trade and Regulatory  
Affairs**

### ***THE APPARENT PROBLEM:***

Public Act 528 of 1982 conveyed approximately 100 acres of state park land bordering Lake Huron just north of Port Sanilac to Sanilac County. At the time of the conveyance, the park contained about 20 primitive campsites, pit toilets, and had no potable water. The county had intended to develop the land into a county park, but the lack of drinkable water coupled with lack of available funding has delayed the project. Though campers do occasionally use the primitive campsites, reportedly the park is primarily used as a hangout for teenagers and bikers.

The problem of potable water is not limited to the area of the park. Residents living along the shoreline are also experiencing a shortage of safe drinking water. Proper wells cannot be dug because most of the groundwater contains brine (salt) and so is unsuitable for drinking. Many residents currently have old beach crock wells, but most do not meet current health code restrictions.

About four years old, the Huron Sanilac Service Authority was formed to study the problem of providing safe drinking water to area residents. The authority found that water could be piped in from Port Huron or Harbor Beach, but the cost would be prohibitive. Piping water from Minden City is affordable, but the city does not have sufficient water capacity to serve outside areas. The solution appears to be in the form of building a water treatment plant to treat the water from Lake Huron. A small parcel of land within the park has been determined to be the best site, in part because the land already belongs to the county and also because of its proximity to the lake. However, Public Act 528, which conveyed the land to the county, restricted the use of the land to park purposes only and contained a reverter clause specifying that the land would revert to state ownership

if used for any other purpose. Therefore, legislation is being offered to amend the reverter clause of the original conveyance act to allow for a water treatment plant to be built on a small parcel of the park grounds.

In another matter, the Department of Natural Resources (DNR) has for many years leased a parcel of land to Drummond Island township under a special use permit. The township in turn has subleased the property to the local sportsmen's club, which operates a shooting range on the land. The club has made a number of improvements to the property, and also uses the land for several wildlife assistance programs in conjunction with the DNR. For several years, there had been talk of the department transferring the land to the sportsmen's club, but current state law prohibits the transfer of public lands to a private entity. The club is planning to make further improvements to the property, including recreational activities for area residents and visitors and a project in conjunction with the DNR to build fish breeding ponds, as well as continuing to work with the department on various projects such as the winter deer feeding program. Also, the shooting range is open to the public during certain operating hours. In light of the service to the public that the club performs, and the on-going cooperation between the sportsmen's club and the DNR in conducting departmental programs, it has been proposed that the land be conveyed to the township, which in turn could lease the land to the club. Reportedly, such a transfer would spare the township, the department, and the club from the sometimes lengthy and involved annual process of obtaining a special use permit and subleasing the land.

### ***THE CONTENT OF THE BILL:***

Public Act 528 of 1982, which conveyed the former Sanilac State Park to Sanilac County, contained a restriction that the land be used only for county park purposes or revert to state ownership. House Bill 5887 would amend the act to allow the county to sell or lease a seven-acre parcel of land in the park to the Huron Sanilac Service Authority to build a water treatment facility on the site. The bill would specify that all other restrictions and the reverter clause contained in the act would remain in effect.

In addition, the bill would provide that the Department of Natural Resources could convey property under its jurisdiction, located in Drummond Island Township, Chippewa County, to the Township of Drummond Island for \$1. The property would have to continue to be operated as a public shooting range; if used for any other purpose, the property would revert to the state. If the state's right of reentry was disputed, the attorney general could bring an action to quiet title to, and regain possession, of the property. Any revenue received under the conveyance would be deposited in the state treasury and credited to the general fund.

### ***FISCAL IMPLICATIONS:***

According to the Senate Fiscal Agency, Sanilac County could receive revenue from either leasing or selling a portion of the park to the Huron Sanilac Service Authority. Under the existing statute, this action would result in the land reverting to the state; therefore, under the bill, the county could generate revenue from the sale or lease of the land, and the state would forego the opportunity to retain, sell, or lease the land.

In regard to the conveyance of the Drummond Island Township parcel, the agency reports that since the township currently operates and maintains the existing shooting range and plans to improve the range, the bill could result in some local benefit. The state would, however, forego any revenue derived from the sale of the land. (9-22-98)

### ***ARGUMENTS:***

#### ***For:***

The land in Sanilac County is part of a former state park that was conveyed to the county in 1982. Though the intention was to develop the land into a county park, the cost to provide drinkable water to park users has proved to be an obstacle. However, by amending the restriction clause of Public Act 528 of 1982, seven acres of park land could be used to build a water treatment plant. Reportedly, the Huron Sanilac Service Authority is close to approval on a federal grant to

fund the treatment plant. The plant would not only provide drinkable water to the park's users, it also would provide a necessary and affordable source of safe drinking water to nearby residents, who currently are experiencing problems with old wells that do not comply with current health laws.

#### ***For:***

The park is on the shoreline of Lake Huron just north of Port Sanilac. Development of the park grounds into a camping and picnic area would provide both local residents and tourists with a much needed recreational area. There is a small park to the north, but it can barely accommodate the crowds seeking public access to Lake Huron. Therefore, development of the park grounds would bring additional revenue to the county while enabling more residents and tourists to enjoy the beauty of the Great Lake. However, providing safe drinking water is a necessary first step of the development plans.

#### ***Against:***

The land was originally conveyed to the county for a minimal amount, if any. Yet, the bill would allow the county to sell or lease seven acres to the Huron Sanilac Water Authority. Though it could be argued that construction of a water treatment plant would also serve the public, the result would be that the county gains revenue from former state property. Perhaps the county should first buy the land for fair market value.

#### ***Response:***

This bill is little different from many conveyances before it that conveyed land or buildings formerly owned by the state to local governments. In many instances, the municipality has leased the use of the property to other groups. The key appears to be whether it meets the test of public use. In this case, construction of a water treatment plant may still fit within the public use confines, since it would provide safe drinking water to area residents and allow for the development of park land that all of the state's residents could use.

#### ***For:***

For many years, Drummond Island Township has been leasing a parcel of state-owned property and then subleasing it to the local sportsmen's club under a special use permit. Reportedly, however, the process, which must be done annually, is tedious and time-

consuming. Meanwhile, the club has made several improvements to the property, and operates a shooting range which is open to the public during certain operating hours. In addition, club members work in conjunction with the DNR on several wildlife initiatives such as the winter deer feeding program and the DNR maintains storage facilities on the property. According to a township official, future plans for the property include development of recreational activities for residents and visitors, and a joint effort between club members and the DNR to construct fish breeding ponds as well as continuation with the current wildlife programs. If the land were conveyed to the township, the township could then directly lease the land to the sportsmen's club. The language of the bill would require that the shooting range continue to be open for public use, thus ensuring that the land would continue to be used for public purposes.

Analyst: S. Stutzky

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