



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 908 (as enrolled)
Sponsor: Senator Curtis Hertel, Jr.
Senate Committee: Government Operations
House Committee: Government Operations

Date Completed: 6-14-18

RATIONALE

Groesbeck Golf Course is an 18-hole municipal course located in the City of Lansing. The course opened in 1926 and was named after then-Governor Alex J. Groesbeck. At the time, the State of Michigan owned the land on which the course is situated, and the City leased it from the State until the mid-1990s. Public Act 531 of 1996 authorized the Department of Natural Resources to convey several parcels to the City. These included a parcel of approximately 45 acres for the Groesbeck Golf Course. Evidently, however, that conveyance omitted some of the golf course property, so Public Act 421 of 2004 authorized the State to convey to the City an additional parcel for the course. The City now owns the property but is bound by restrictions contained in the legislation enacted in 1996 and 2004. Public Act 531 requires the property to be available for use by members of the general public without regard to their place of residence, and Public Act 421 provides that, if any fee for use of the property is imposed on members of the public, or waived for use of the property, residents and nonresidents must be subject to the same fee or waiver. As a result of this language, the rates that the City charges for use of the golf course must apply equally to residents of Lansing and nonresidents.

Some people believe that the City should be able to impose lower fees on residents, because Lansing residents pay a voter-approved millage for parks, and a portion of the revenue collected is directed to the golf course. If the City lowered the fees for residents, however, or charged nonresidents at a higher rate, the State would have the right to repossess the property. Therefore, it has been suggested that the restrictions in the 1996 and 2004 Public Acts should be removed by legislation.

CONTENT

The bill would require the State Administrative Board to reconvey certain property to the City of Lansing, if the City conveyed the property to the State, and require the reconveyance to omit a requirement that the property be made available to members of the public regardless of residence, and a requirement that any fees for use of the property be imposed in the same manner on residents and nonresidents.

The property includes the Groesbeck Golf Course parcel that the Department of Natural Resources conveyed to the City of Lansing (along with several other parcels) for \$1 pursuant to Public Act 531 of 1996. Public Act 531 contained a restriction that the property be dedicated for park and recreational purposes and be available for use by members of the general public without regard to place of residence.

The property subject to the bill also includes a parcel that the State Administrative Board conveyed to the City of Lansing for \$1 pursuant to Public Act 431 of 2004. That parcel was conveyed subject to a requirement that it be used exclusively for the purpose of a public golf course owned by the City, or other public purpose. The conveyance also contained a restriction that, if any fee, term,

or condition for the use of the property is imposed on members of the public, or is waived for use of the property, resident and nonresident members must be subject to the same fee, term, condition, or waiver.

The bill would require the State Administrative Board to reconvey the property described above to the City of Lansing for \$1, if the City conveyed it to the State. The reconveyance would have to be subject to the same terms and restrictions as the original conveyance but could not contain the restriction requiring the property to be made available for use by members of the general public without regard to place of residence, or the restriction that if any fee, term, or condition for the use of the property is imposed on members of the public, or waived, resident and nonresident members must be subject to the same fee, term, condition, or waiver.

The reconveyance would have to be by quitclaim deed approved by the Attorney General.

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

According to testimony by Lansing Mayor Andy Schor before the Senate Government Operations Committee, Groesbeck Golf Course receives approximately one-quarter of the revenue collected from the parks millage that Lansing residents pay. This means that residents who use the golf course are, in effect, paying twice. Apparently, City officials would like to give residents a break by lowering the fees they pay to use the course, but the City cannot legally do so. At the same time, the City cannot impose higher rates on nonresidents in order to generate more income, if it wanted to do so in the future. The bill would remedy this situation by creating an opportunity for the City to reconvey the golf course property to the State, which then would be required convey it back to the City without the restrictions that require the City to impose the same fees on residents and nonresidents.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would result in an indeterminate fiscal impact on the City of Lansing by giving it the ability to charge nonresidents a higher rate than charged to City of Lansing residents for use of the Groesbeck Golf Course.

Fiscal Analyst: Bill Bowerman

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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.