



**House
Legislative
Analysis
Section**

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MICHIGAN MUSEUM ACT

**House Bill 5055 with committee amendments
First Analysis (11-27-90)**

**Sponsor: Rep. Francis R. Spaniola
Committee: Appropriations**

THE APPARENT PROBLEM:

Preservation of Michigan's heritage is valuable because it gives the state's citizens great pride to know their story and legacy and how the state developed. Two very key modes of transportation that were vital to the state's growth are railroads and shipping. The railways and waterways were the primary source of transportation for goods and people. However, some feel that the rail system and the transportation modes of our forefathers and mothers are poorly represented in the state museum system. Therefore, it has been suggested that the Lake Michigan Maritime Museum at South Haven and the depot at the city of Durand be transferred to the state as museums to be operated by the secretary of state's office.

THE CONTENT OF THE BILL:

The bill would create the Michigan Museum Act, providing for the donation to the state of the Lake Michigan maritime museum located in South Haven, owned by the city of South Haven, and the Durand union station railroad depot, owned by the city of Durand. Both facilities would be operated as museums by the Department of State's Bureau of History, with separate advisory boards being established for each museum. A more detailed explanation follows.

The maritime museum. The museum would be dedicated to maritime preservation and education, including research, restoration and conservation efforts. The department would maintain and operate a maritime library at the maritime museum. The program would be known as the Marialyce Canonie Great Lakes Research Library.

The Maritime Advisory Board would be created within the department consisting of nine members appointed by the governor. Two would be representatives from the city of South Haven and from southwestern Michigan, one would be a representative from the museum and one would be from the maritime industry, and three would be from the general public (at least one of whom resided in the Upper Peninsula). Up to five members of the museum could be of the same political party at any one time. Members would not receive compensation, except for reimbursement for expenses which could not amount to more than \$75 per day for up to 24 days per calendar year. The board would meet at least twice per year and advise the department as to construction of the museum and policies, plans, acquisitions, and programs.

Funding. The department could charge a reasonable admission fee for entry into the museum in order to assist the funding of the museum. The fee would be established and reviewed annually by the secretary of state's office. The department could establish and administer a retail sales store at the museum. In addition, the department could operate a snack bar of other food and beverage service at the maritime museum and make reasonable charges for the items sold. Money collected by these methods would be credited to a revolving fund created within the

state treasury as the Michigan Maritime Museum Trust Fund. Money in the fund would not revert to the general fund at the end of the fiscal year.

The bill would encourage the establishment of a maritime artifact conservation service and could charge a fee for this service. Money collected from the service would be deposited in the fund. The bill would also encourage the establishment of an officially recognized friends of the maritime museum organization for funding, promoting and supporting the museum.

Donations. The department could accept on behalf of the state donations of money, property, artifacts, and other personal property related to the themes of the museum. In addition, the department could purchase historical artifacts related to the themes of the museum. Money collected would be credited to the trust.

Employees. At the time of transfer of the museum to the state, employees of the museum working at the museum on the effective date of the bill would become employees of the department.

The Durand union station railroad depot. The railroad history museum would be dedicated to recounting and interpreting the role of the railroad industry in the development of the social, economic, and human history of the state of Michigan. Programs undertaken at the museum would include research, restoration and conservation efforts with the intent of preserving and interpreting the documents, artifacts, engines, and rolling stock associated with the state's rail system.

Donations. The department could accept on behalf of the state grants and donations of money, property, artifacts, and other personal property related to the themes of the museum. In addition, the department could purchase historical artifacts related to the themes of the museum. Money collected would be credited to the Railroad History Museum Trust Fund.

The Michigan Railroad History Museum and Information Center Advisory Board. The bill would create the board within the department consisting of nine members appointed by the governor. The board would include a representative from each of the following areas: the City of Durand; the station; the Chamber of Commerce of the City of Durand; the tourism council of the county of Shiawassee; the county historical society of the county of Shiawassee; and the railroad industry. In addition, the board would consist of three representatives of the public with at least one residing in the Upper Peninsula. Up to five members of the board could be of the same political party at any one time. Members would not receive compensation, except for reimbursement for expenses which could not amount to more than \$75 per day for up to 24 days per calendar year. The board would meet at least twice per year and advise the department as to construction of the museum and policies, plans, acquisitions, and programs.

Funding. The department could charge a reasonable admission fee for entry into the museum in order to assist the funding of the museum. The fee would be established and reviewed annually by the secretary of state's office. The department could establish and administer a retail sales store at the museum. In addition, the department could operate a snack bar or other food and beverage service at the museum and make reasonable charges for the items sold. The department could also rent space at the museum to a restaurant and to other entities and business whose purpose involved the promotion and preservation of railroad history. Money collected by these methods would be credited to a revolving fund created within the state treasury known as the Michigan Railroad History Museum Trust Fund to be used to defray the costs of operating the railroad history museum and for other purposes of the bill. Money in the fund would not revert to the general fund at the end of the fiscal year.

The bill would encourage the establishment of an officially recognized friends of the depot organization for funding, promoting and supporting the museum.

Employees. A project director who was under contract with the union station and worked at the railroad history museum on the effective date of the bill would become an employee of the department.

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, quarter year funding of the bill provides for two full-time staff members funded at \$25,000 for each museum. Also, amendments have reduced the appropriation for operations for each museum from \$885,000 to \$37,500. The total amount of \$62,500 for each facility is currently included in the general government appropriations bill, P.A. 208 of 1990. Full year funding for each facility is projected to equal \$100,000 each for 2.0 FTEs and \$150,000 each for operations; \$500,000 total. A revolving fund, supported by sales of concessions, admission fees and services is to defray other operating and advisory board expenses. However, any overexpenditure of the revolving funds must be covered by the department's general fund appropriation. Also, the issue of what liabilities are attached to the facilities has yet to be fully explored. (11-14-90)

ARGUMENTS:

For:

Many local communities and private citizens and entities have made enormous contributions to the two facilities, including the recent restoration of the Durand facility. The bill will ensure the longevity of the facilities and the maintenance of the state's story by including the facilities within the state's museum system.

For:

Michigan is *the* Great Lakes state. Tourists come from all over the world to enjoy our resources and learn about the maritime developments which have made Michigan a great state. However, the state's museum system currently lacks a facility which provides an in-depth study of the state's maritime system. Under the bill, not only will the state receive a facility which can facilitate maritime study but it will also receive the professional services of an underwater archaeologist currently employed at the museum.

For:

Railroads are a key mode of transportation in the state and have made substantial contributions to its natural resource-based industries, specifically forest and mining products. Railroads helped establish Michigan as a leading manufacturer in the world market. The bill will ensure that this vital link to our past is maintained through the state's museum system.

POSITIONS:

The secretary of state's office supports the bill. (11-26-90)

The Durand Union Station, Inc. supports the bill. (11-27-90)