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BILL ANALYSIS

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Senate Bill 433 (as introduced 4-25-07)

Sponsor: Senator Jason E. Allen

Committee: Transportation

Date Completed: 8-31-07

CONTENT

The bill would amend the State Transportation Preservation Act to require a person who purchased a segment of a railroad line from the State to offer the local unit of government where the segment was located the right of first refusal to purchase the segment, if the person were selling it.

The Act permits the Michigan Department of Transportation to sell or lease the following segments or portions of segments of rail lines:

- The Lenawee County system, meaning the rail lines owned by the State between Adrian and Riga, between Grosvenor and River Raisin and Lenawee Junction.
- The Vassar area system, meaning the rail lines owned by the State between Millington and Munger, between Vassar and Colling, and at Denmark Junction.
- The Ann Arbor and northwest Michigan system, meaning the rail lines owned by the State between Durand and Ann Arbor, between Owosso and Thompsonville, between Cadillac and Petoskey, between Walton Junction and Traverse City, between Grawn and Williamsburg, and between Owosso and St. Charles.

Under the bill, if a purchaser sold a segment or any portion of a segment, the purchaser would have to offer a right of first refusal to purchase the segment to the local unit of government where the segment was located. If the segment were located in more than one jurisdiction, the purchaser would have to offer the segment to each local unit of government. The purchaser would have to offer subsequent refusal rights, if any, to any local government located along the segment or portion of a segment.

If more than one local government indicated an intention to purchase the same segment or portion of a segment, the local unit of government with the largest population would have the first right to purchase.

MCL 474.60

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would have no fiscal impact on State government. Any fiscal impact on local units of government would depend upon whether a local unit chose to exercise the right to purchase a rail line segment.

Fiscal Analyst: Debra Hollon

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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.