

RESIDENTIAL ELEVATOR FOR BEACH ACCESS

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Senate Bill 245 (Substitute S-2)

Sponsor: Sen. John Proos

House Committee: Regulatory Reform

Senate Committee: Economic Development

First Analysis (5-16-11)

BRIEF SUMMARY: The bill would allow small homeowner associations located near one of the Great Lakes to build an incline elevator under construction standards that apply to a private residential incline elevator rather than standards for a commercial elevator, for the use of members and member's guests to reach a beach.

FISCAL IMPACT: The bill would have no fiscal impact on state or local government.

THE APPARENT PROBLEM:

Property owners whose homes are situated on high bluffs overlooking one of the Great Lakes or other Michigan waterways can find it challenging to go from the house to the shore and back again. Some homeowners or homeowner associations build stairways to the beach, but these can consist of 100 or more stairs depending on the distance, making multiple trips or trips carrying small children or belongings difficult. For the elderly or infirm, traversing the stairways may be impossible.

One solution is to build a residential incline elevator. Built onto the side of a cliff or sloping property, these tram-like elevators can transport up to 1,000 pounds, depending on the model and manufacturer. They can be operated year round, even in the harsh winter climate of Michigan. At about \$50,000 and up, they can be costly for a family to install. If one family does install a unit, it is illegal for them to allow neighbors to use it.

Some members of homeowner associations have expressed the desire to pool their resources and build an incline elevator that all members of the association (and their guests) can use to access the shoreline. However, under Michigan statutes and construction rules, a residential incline elevator can only be used by the property owner whose land it is built on. A commercial incline elevator must be installed for multiple family use. Association members say that, besides being "too much" elevator for the needs of a small association, a commercial incline elevator is also about 5 to 10 times more costly than a residential model.

Legislation has been requested by some members of a homeowners association to amend the law to allow a small association to build a residential incline elevator for the exclusive use of their members and the members' guests.

THE CONTENT OF THE BILL:

Senate Bill 245 would amend Public Act 227 of 1967, which regulates the construction, installation, and inspections of elevators, to apply the construction standards for a private residential incline elevator to an incline elevator that is for the exclusive use of members of a homeowners association and their guests in accessing the shoreline of a Great Lake or connecting waterway. The association would be required to maintain at least \$1 million of insurance coverage against liability arising from the construction or use of the elevator.

"Homeowners association" would mean an incorporated organization of the owners or lessees of not more than 20 residential dwellings.

MCL 408.806

HOUSE COMMITTEE ACTION:

The committee reported the Senate-passed version without amendment.

ARGUMENTS:

For:

Enactment of the bill would allow a homeowners association of 20 or fewer homes to build a residential incline elevator for the common use of its members and members' guests. The elevator would not be open to the general public and the association would have to maintain insurance coverage of at least \$1 million to cover any claims for injuries. Newer standards for these elevators are quite stringent, and they are engineered with many safety features to prevent pinched fingers and other injuries. They also are quite durable and are built to be operated year round – even in the harsh snow and ice conditions of the western shoreline of the state. Having a common elevator would enable all members of an association to have equal access to the beach, as those who don't have lakefront property have no option except to use a set of common stairs. Without the bill, the only option for beach access, other than members traversing hundreds of stairs, would be to build a commercial incline elevator. A commercial elevator would be more than what is needed to service 20 homes and would have an initial cost of about a quarter of a million dollars.

Further, supporters of the bill believe that the ability for small associations to build common residential incline elevators will encourage more development of empty lots along the high bluffs so common to the Great Lakes. Apparently, some properties have not been marketable because potential buyers are turned off at the difficulties of reaching the shore. Thus, the state would benefit from the construction of new homes and local economies would see a boost in property taxes and new full-time or part-time residents shopping and dining at local stores and restaurants.

Against:

Some in the elevator industry expressed concerns that current safety and inspection regulations are not sufficient to allow an elevator that is manufactured for use by a single family to be used instead by up to 20 families and their guests. For instance, unlike commercial elevators, which must be inspected regularly, a residential incline elevator is only inspected upon installation. With so many different people using it, it is unclear if all would know and understand how to maintain and operate the unit safely. In addition, the usage, especially on holidays, would be much heavier than intended for a single family unit.

Further, it may be difficult for an association to find an insurance carrier willing to write a policy for a unit meant to be used by one family that is instead being used by many beachfront residents, or to find one that offers a liability product that is affordable.

Response:

According to a representative of a manufacturer of residential and commercial incline elevators, Marine Innovations Incorporated, the residential models they build are equipped with lots of safety features, are more sturdy than what a single family unit needs, and thus are durable enough to be operated safely under the demands of a small association, even on a busy holiday.

POSITIONS:

A representative of Great Lakes Elevators testified in support of the bill. (4-27-11)

The Michigan Homebuilders Association indicated support for the bill. (4-27-11)

A representative of IUEC Local 85 testified in opposition to the bill. (4-27-11)

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Mark Wolf

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.