



**House
Legislative
Analysis
Section**

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SALES ON I-94/I-69 IN PORT HURON

House Bill 5256 (Substitute H-2)

Sponsor: Rep. Curtis Hertel

House Bill 5257 (Substitute H-2)

Sponsor: Rep. Bart Stupak

First Analysis (3-29-90)

Committee: Transportation

THE APPARENT PROBLEM:

The Can-Am commercial store in Port Huron has been operating for 26 years near the entrance to the Blue Water Bridge under a contract with the Department of Transportation (MDOT). Various items are sold duty-free when they are purchased by persons traveling into Canada for consumption outside of the country. MDOT has been in the process of constructing a new entrance ramp to the bridge which, among other things, will be better able to accommodate vehicles that transport certain chemicals to and from Canada (as this is the only point in the state from which they can be transported in and out of the country). Plans for the new bridge plaza require that certain land, including a portion of that which is now owned by the Can-Am store, be acquired. Upon completion of the ramp, however, the store will fall within the right-of-way of a limited access highway (the I-94/I-69 business loop) and thus will be prohibited under various state laws from carrying on commercial operations. A suggestion has been made to grant an exemption from this prohibition to accommodate the Can-Am store.

THE CONTENT OF THE BILL:

House Bills 5256 and 5257 would amend the Vehicle Code (MCL 257.676a) and Public Act 205 of 1941 (MCL 252.52), which regulates the construction and use of limited access highways, respectively, to specify that, in conjunction with federal law that grants an exemption from the restriction against operating certain commercial enterprises along limited access highways, the acts could not prohibit the use of a facility located in part on the right-of-way of I-94 near the interchange of I-94 and the I-69/I-94 business loop for the sale of only those articles that were for export and consumption outside of the country.

FISCAL IMPLICATIONS:

According to the Department of Transportation, the Can-Am store leases space from MDOT for its commercial operations for ten percent of its annual gross revenues, which amounts to between \$500,000 and \$600,000. The bill would allow MDOT to continue this contractual agreement and thus would prevent a loss to the department of this amount, more or less, annually. (3-28-90)

ARGUMENTS:

For:

The bill would exempt the Can-Am store from the prohibition against commercial sales found in the Vehicle Code and Public Act 205 of 1941, and thus would allow it to continue under a contractual agreement with MDOT to operate on the new entrance ramp being built to the Bluewater Bridge in Port Huron. This store sells items (generally, liquor, cigarettes, and perfume) duty-free to

travelers to Canada who plan to consume the goods in Canada, and contracts with the state to operate here for ten percent of its yearly gross revenues. A similar exemption, in fact, was granted to the Can-Am store by legislation passed by Congress two years ago; the bill's language would be identical to language in the federal law except that the exemption would apply only to the specific area along the I-94/I-69 business loop in Port Huron.

Against:

Some people fear the bill would set a bad precedent by allowing the state to contract with private commercial firms for the use of property on or near freeways and their exit/entrance ramps. Although it would apply only to the Can-Am store in Port Huron, the bill encourages MDOT to unfairly compete with the private sector near highway plazas in other areas of the state.

POSITIONS:

The Department of Transportation supports the bills. (3-28-90)

The Can-Am, a duty-free commercial store in Port Huron, supports the bills. (3-28-90)

H.B. 5256 (3-29-90)