



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 711 (Substitute S-1 as reported by the Committee of the Whole)

Sponsor: Senator Jim Stamas

Committee: Economic Development and International Development

CONTENT

The bill would amend the Port Authority Act to do the following:

- Permit an existing port authority to enter into public-private partnerships with other owners or property or port facilities within the authority's jurisdiction.
- Amend the definition of "port facility", regarding an existing authority, to refer to facilities whether or not they are owned by the port authority, and to include other property necessary to enhance maritime activities.
- Include in the definition of "project" public infrastructure, as well as other property necessary to achieve the purpose of the Act, for an existing port authority.
- Provide that projects and port facilities could not include a bridge or a tunnel.
- Delete a provision that allows an authority to acquire land and property rights by condemnation.
- Allow an authority to receive money from certain sources to finance a project (rather than a port facility).

The bill also would prohibit an authority from issuing revenue bonds for a project that was not owned by an authority but was financed by an authority unless that project was located within five miles of the commercially navigable waters that provided water access to one or more port facilities within its jurisdiction.

MCL 120.102 et al.

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

The bill could have an indirect, long-term, positive impact on the State and on the City of Detroit and Wayne County. The bill would have no practical, immediate impact on State spending or spending by local units of government.

The bill would allow the Detroit/Wayne County Port Authority (DWCPA) to enter into public-private partnerships with properties and/or port facilities within its jurisdiction. More significantly, the bill would remove the requirement that a port facility be owned by the DWCPA. This would expand the DWCPA's ability to receive and accept Federal, State, municipal, public, or private aid in the construction, operation, or financing of port facility projects. The DWCPA was created in 1981 via the Port Authority Act, and is the only authority operating under the Act. According to its website, "The Detroit Wayne County Port Authority...is a government agency advancing southeast Michigan's maritime and related industries with the purpose of delivering prosperity and economic benefit...to citizens and businesses." The website also states that the DWCPA oversees and promotes commercial and recreational activities along 32 miles of the Detroit River from Lake St. Clair to the Wayne/Monroe County border.

Pursuant to Section 24 of the Act (MCL 120.124), the State is responsible for providing half of the DWCPA's operating budget. Between 2002 and 2016, the DWCPA nearly always received about \$500,000 each year from the State through the Comprehensive Transportation Fund. In 2017, State funding for the DWCPA was reduced to \$200,000. In granting the DWCPA more authority to develop and invest in projects within its jurisdiction, the bill could enable the DWCPA to become more self-sufficient, economically. Should new investments by the DWCPA create economic viability, or partial economic viability, the State, the City of Detroit, and Wayne County could reduce appropriations in the long term.

Date Completed: 6-11-18

Fiscal Analyst: Michael Siracuse