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BILL



ANALYSIS

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Senate Bill 711 (as introduced 12-5-18)

Sponsor: Senator Jim Stamas

Committee: Economic Development and International Investment

Date Completed: 2-5-18

CONTENT

Senate Bill 711 would amend the Port Authority Act to do the following:

- **Permit an 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" to delete a requirement that facilities be owned by the port authority, and to include other property necessary to enhance maritime activities.**
- **Include in the definition of "project" activities related to public infrastructure, as well as other property necessary to achieve the purpose of the Act.**
- **Provide that projects and port facilities maintained by an authority could not include a bridge or a tunnel.**
- **Allow an authority to receive money from certain sources to finance a project (rather than a port facility).**

Under the Act, an authority may acquire, construct, reconstruct, rehabilitate, improve, maintain, lease, repair, or operate port facilities within its territorial jurisdiction, including the dredging of ship channels and turning basins and the filling and grading of land for them.

The bill also would allow an authority to perform those activities with respect to other property it acquired or held within its territorial jurisdiction.

The bill would allow an authority to enter into public-private partnerships with other owners or property or port facilities within the jurisdiction of the authority.

The bill states that nothing in the Act would limit the property rights of any person that owned property or port facilities within the jurisdiction of the authority. The bill also states that powers granted under the Act would be in addition to those powers granted by charter or other statute.

The Act defines "port facilities" as those facilities owned by the port authority such as: seawall jetties; piers; wharves; docks; boat landings; marinas; warehouses; storehouses; elevators; grain bins; cold storage plants; terminal icing plants; bunkers; oil tanks; ferries; canals; locks; bridges; tunnels; seaways; conveyors; modern appliances for the economical handling, storage, and transportation of freight and handling of passenger traffic; transfer and terminal facilities required for the efficient operation and development of ports and harbors; other harbor improvements; or improvements, enlargements, remodeling, or extensions of any of these buildings or structures.

Under the bill, "port facilities" would mean those facilities that include but are not limited to those listed above, except bridges and tunnels. The bill also would include other real or personal property necessary to enhance commercial or recreational maritime activities. Port facilities would not include a bridge or a tunnel, directly or indirectly.

"Project" means the acquisition, purchase, construction, reconstruction, rehabilitation, remodeling, improvement, enlargement, repair, condemnation, maintenance, or operation of port facilities. Under the bill, "project" also would mean those activities with respect to public infrastructure, and other real and personal property necessary to achieve the purpose of the Act. Project would not include a bridge or a tunnel, directly or indirectly.

Currently, an authority may appear in its own behalf before boards, commissions, departments, or other agencies of the Federal government or of any state or international conferences and before committees of the U.S. Congress and the State Legislature in all matters relating to the design, establishment, construction, extension, operation, improvement, repair, or maintenance of a project operated and maintained by the authority under the Act. Under the bill, an authority also could appear in all matters relating to the maintenance of a project financed or supported by the authority.

An authority may apply for, receive and accept from any Federal, state, or municipal agency, foundation, public or private agency, or individual, a grant or loan for the planning, construction, operation, or financing of a port facility. The bill would refer to a project, rather than a port facility.

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 will 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 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.

Fiscal Analyst: Michael Siracuse

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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.