

Legislative Analysis



MARITIME AND PORT FACILITY ASSISTANCE GRANT PROGRAM ACT

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 744 (S-2) as reported from House committee
Sponsor: Sen. Stephanie Chang

Analysis available at
<http://www.legislature.mi.gov>

House Bill 5291 (S-1) as passed by the Senate
Sponsor: Rep. Jack O'Malley

House Committee: Transportation
Senate Committee: Economic and Small Business Development
Complete to 6-30-22

SUMMARY:

Senate Bill 744 would create a new act, the Maritime and Port Facility Assistance Grant Program Act, to create the maritime and port facility assistance grant program, which would award grants of up to \$2.5 million annually to owners of port facilities for certain public purposes.

The bill would direct the Maritime and Port Facility Assistance Office (proposed by HB 5291, below) to administer the grant program and to award grants to owners of *port facilities* that submit a grant application on a form, and containing information, prescribed by the office. A grant could be used by the owner of a port facility for public purposes, including one or more of the following:

- Increasing the amount of direct port facility activity, including the amount or value of freight moving through the port facility.
- Increasing the amount of overall maritime-related economic development or maritime-related transportation opportunities in the port facility's region.
- Achieving or improving green marine certification.
- Matching federal funding opportunities.
- Dredging waterways and harbors.
- Repairing seawalls.
- Transitioning to cleaner technology.
- Other projects related to port facilities as determined by the office.

Port facility would mean a commercial facility located alongside a navigable waterway used for commercial vessels and would include any of the following types of facilities:

- A seawall jetty, pier, wharf, or dock.
- A warehouse, storehouse, elevator, grain bin, cold storage plant, terminal icing plant, bunker, or oil tank.
- A ferry, canal, lock, seaway, or conveyor.
- A modern appliance for the economical handling, storage, or transportation of freight and handling of passenger traffic.
- A transfer or terminal facility required for the efficient operation or development of a port or harbor.
- Any other port or harbor improvement to assist with commercial operations.
- An improvement, enlargement, remodeling, or extension of a facility.

When applying for a grant, a grant applicant would have to certify to the office that the applicant is currently in compliance with all state and federal environmental laws and regulations applicable to the grant applicant's port facility and has not received notice of any violation of a state or federal environmental law or regulation applicable to the grant applicant's port facility in the three years before the grant is applied for.

The office would have to give higher priority in awarding a grant to an owner of a port facility that has achieved *green marine certification* or has submitted a grant application to fund achieving or improving green marine certification.

Green marine certification would mean a certification issued or awarded by a nationally recognized maritime organization identified by the office that ranks or evaluates port facilities on various criteria, including any of the following:

- Greenhouse gas and air pollutants.
- Spill prevention and stormwater management.
- Dry bulk handling and storage.
- Community impacts.
- Environmental leadership.
- Waste management.

The office could award grants of up to \$2.5 million per grant annually. However, it could not award more than 50% of the amount available under the program in a single year to one grant applicant, unless that applicant was the only grant applicant that year.

A grant awarded by the office would have to include a statement defining measurable, annual goals for the grant funding recipient. For the three years after a grant is awarded, the office would need to annually evaluate the grant funding recipient to determine whether the recipient is meeting its annual goals as defined in the grant award.

If participating in the grant program for more than one year, a grant applicant would have to certify annually that the grant applicant has not received notice of any violation of a state environmental law or regulation applicable to the grant applicant's port facility in the past year.

The bill would create the Maritime and Port Facility Assistance Fund in the state treasury. The state treasurer would have to deposit money and other assets received from any source in the fund, direct the investment of money in the fund, and credit to the fund interest and earnings from those investments. Money in the fund at the close of the fiscal year would not lapse to the general fund. The office would be the administrator of the fund for auditing purposes.

The office would be required to expend money from the fund, upon appropriation, only for the purposes described in the bill and in House Bill 5291.

House Bill 5291 would amend 1951 PA 51 to create the Maritime and Port Facility Assistance Office in the Department of Transportation (MDOT). The office would be required to do all of the following:

- Perform the duties described in SB 744.
- Implement and administer the grant program proposed by SB 744 by doing all of the following:
 - Awarding grants to publicly or privately owned port facilities for the purposes described in SB 744.

- Establishing criteria for awarding grants consistent with SB 744 and based on the impact the project will have on all of the following:
 - Direct port facility activity.
 - Increasing the amount or value of freight moving through the port facility.
 - Overall economic development or transportation opportunities in the region.
- Receiving and reviewing grant applications under SB 744 and prescribing the form, nature, and extent of the information that must be contained in a grant application.
- Before disbursing grant money under SB 744, entering into a grant agreement with the grant recipient.
- Assist owners of port facilities in Michigan by doing all of the following:
 - Developing a statewide strategic maritime plan.
 - Identifying federal funding opportunities that owners of port facilities can apply for.
 - Providing technical assistance to integrate and take advantage of the maritime resources of Michigan in moving goods within and through Michigan to support a global economy in a sustainable manner.

Proposed MCL 247.659d and 247.660s

The bills are tie-barred, which means that neither can take effect unless both are enacted.

FISCAL IMPACT:

A fiscal analysis is in progress.

POSITIONS:

A representative of the Detroit/Wayne County Port Authority testified in support of the bills. (10-5-21, 6-30-22)

Representatives of the following testified in support of HB 5291 (10-5-21):

- Department of Transportation (and indicated support for SB 744, 6-30-22)
- Port of Monroe
- Michigan Chamber of Commerce

SEMCOG (the Southeast Michigan Council of Governments) indicated support for the bills. (10-5-21, 6-30-22)

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