



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 744 (Substitute S-2 as reported)
Senate Bill 745 (Substitute S-1 as reported)
House Bill 5291 (Substitute S-1 as reported)
Sponsor: Senator Stephanie Chang (S.B. 744)
Senator Dale W. Zorn (S.B. 745)
Representative Jack O'Malley (H.B. 5291)
Committee: Economic and Small Business Development

CONTENT

Senate Bill 744 (S-2) would enact the "Maritime and Port Facility Assistance Grant Program Act" to do the following:

- Create the Maritime and Port Facility Assistance Grant Program and allow the Maritime and Port Facility Assistance Office to award grants of not more than \$2.5 million per grant annually.
- Specify that a grant could be used by the owner of a port facility for certain public purposes, such as increasing the amount of direct port facility activity and overall maritime-related economic development, among other things.
- Require the Office to prioritize awarding a grant to an owner of a port facility that had achieved green marine certification or that had submitted a grant application to fund the achievement or improvement of the certification.
- Require the Office to evaluate a grant funding recipient to determine whether the recipient was meeting its annual goals as defined in the grant award, each year for three years after a grant was awarded.
- Create the "Maritime and Port Facility Assistance Fund" within the State Treasury and require the Office to spend money from the Fund, upon appropriation, only for the purpose of the Program and for the performance of the Office's duties.

Senate Bill 745 (S-1) would amend the Port Authority Act to do the following:

- Allow a port authority to finance port facilities within its territorial jurisdiction, including the dredging of ship channels and turning basins and the filling and grading of land related to these improvements.
- Extend certain powers of a port authority to the extension, enlargement, maintenance, or improvement of projects financed by it.
- Specify that the bill would not give an authority jurisdiction over any real or personal property owned, leased, or used by the State or by an individual or entity under any lease or contract with the State.
- Prohibit an authority's project, or a project financed by an authority, from interfering with the construction, maintenance, or operation of certain State-owned infrastructure.
- Prohibit a property tax exemption granted to an authority under the Act from applying while a private enterprise was an operator or a lessee of the property under a lease or a concessionaire under a concession agreement notwithstanding the terms of that lease or agreement.

House Bill 5291 (S-1) would amend the Michigan Transportation Fund law to create the Maritime and Port Facility Assistance Office within the Department of Transportation and Infrastructure and require the Office to assist owners of port facilities in the State with certain activities and to perform the duties prescribed by Senate Bill 744 (S-2).

MCL 120.102 et al. (S.B. 745)
Proposed MCL 247.659d & 247.660s (H.B. 5291)

Legislative Analyst: Tyler P. VanHuyse

FISCAL IMPACT

Senate Bill 744 (S-2) would have a negative fiscal impact on the Department of Transportation through the establishment and ongoing administrative costs of the new Great Lakes Maritime Office. It is possible that existing appropriations for freight programs could cover these expenses. Indirectly, the bills could have a positive fiscal impact on local port facilities if the Office were able to identify and assist those port facilities in applying for Federal funding. The bills also would create a new fund; however, it would not cost State or local government any money until revenue was appropriated into the fund.

Senate Bill 745 (S-1) would have a minor, but positive, fiscal impact on the State in that it would remove a property tax exemption for an operator (or concessionaire under a concession agreement) of a port facility. This would apply to only one port facility, since only one port authority has been authorized under the Port Authority Act.

House Bill 5291 (S-1) would have a negative fiscal impact on the Department of Transportation through the establishment and ongoing administrative costs of the new Maritime and Port Facility Assistance Office. It is possible that existing appropriations for freight programs could cover these expenses.

Date Completed: 5-24-22

Fiscal Analyst: Michael Siracuse