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House Bill 5291 (as enacted)  
Senate Bill 744 (as enacted)  
Sponsor: Senator Stephanie Chang (S.B. 744)  
Representative Jack O'Malley (H.B. 5291)  
Senate Committee: Economic and Small Business Development  
House Committee: Transportation

**PUBLIC ACT 158 of 2022**

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Date Completed: 1-3-23

### **CONTENT**

**House Bill 5291** amended the Michigan Transportation Fund law to do the following:

- Create the Maritime and Port Facility Assistance Office (the Office) within the Michigan Department of Transportation (MDOT) to assist owners of port facilities with specified activities, such as administering the Maritime and Port Facility Assistance Grant Program.
- Require the Office to perform the duties described in the Maritime and Port Facility Assistance Grant Program Act.

**Senate Bill 744** enacted the Maritime and Port Facility Assistance Grant Program Act to do the following:

- Create the Maritime and Port Facility Assistance Grant Program and require the Office to administer the Program.
- Specify the purposes for which the owner of a port facility may use a grant.
- Require the Office to prioritize an owner of a port facility that has achieved green marine certification or that has submitted an application to fund the achievement or improvement of green marine certification when awarding grants.
- Allow the Office to award grants of not more than \$2.5 million per grant annually.
- Require a grant applicant to certify to the Office when applying that the applicant is currently in compliance with all State and Federal environmental laws or regulations applicable to the port facility.
- Create the "Maritime and Port Facility Assistance Fund".

The bills took effect July 19, 2022.

### **House Bill 5291**

The bill amended the Michigan Transportation Fund law to create the Maritime and Port Facility Assistance Office within MDOT to assist owners of port facilities in the State by doing the following:

- Administering the grant program described below.
- Developing a statewide strategic maritime plan.
- Identifying Federal funding opportunities to which owners of port facilities can apply.

- Providing technical assistance to integrate and take advantage of the maritime resources of the State in moving goods within and through the State to support a global economy in a sustainable manner.

(The bill defines "port facility" as a commercial facility located alongside a navigable waterway used for commercial vessels. The term includes any of the following: a) a seawall jetty, pier, wharf, or dock; b) a warehouse, storehouse, elevator, grain bin, cold storage, plant, terminal icing plant, bunker, or oil tank; c) a ferry, canal, lock, seaway, or conveyor; d) a modern appliance for the economical handling, storage or transportation of freight and handling of passenger traffic; e) a transfer or terminal facility required for the efficient operation or development of a port or harbor; f) any other port or harbor improvement to assist with commercial operation; g) an improvement, enlargement, remodeling, or extension of a facility.)

The bill also requires the Office to perform the duties described in the Maritime and Port Facility Assistance Grant Program Act. The Office must implement and administer the grant program by doing all the following:

- Awarding grants to publicly or privately owned port facilities for the purposes described in the Maritime and Pot Facility Assistance Grant Program Act.
- Establishing criteria for awarding grants consistent with the Act and base on the impact the project will have to direct port facility activity, increase in the amount or value of freight moving through the facility, and overall economic development or transportation opportunities in the region.
- Receiving and reviewing grant applications under the Act and prescribing the form, nature, and extent of the information that must be contained in a grant application.
- Before disbursing grant money under the Act, entering into a grant agreement with the grant recipient.

### **Senate Bill 744**

#### **Maritime and Port Facility Assistance Grant Program**

The Act creates the Maritime and Port Facility Assistance Grant Program and requires the Maritime and Port Facility Assistance Office to administer the Program. The Office may award grants to owners of port facilities that submit a grant application on a form prescribed by the Office that contains the information required by the Office.

The Act allows an owner of a port facility to use a grant awarded 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 facility, or increasing the amount of overall maritime-related economic development or maritime-related transportation opportunities in the port facility's region.
- Achieving or improving green maritime 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.

("Green marine certification" means 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: a) greenhouse gas and air pollutants; b) spill prevention and stormwater management; c) dry bulk handling and storage; d) community impacts; e) environmental leadership; and f) waste management.)

The Act requires the Office to give higher priority in awarding a grant to an owner of a port facility that has achieved green marine certification or that has submitted a grant application to fund the achievement or improvement of green marine certification. A grant awarded by the Office must include a statement defining measurable, annual goals for the grant funding recipient. For the three years after a grant is awarded, the Office must evaluate annually the grant funding recipient to determine whether the grant funding recipient is meeting its annual goals as defined in the award.

The Act allows the Office to award grants of not more than \$2.5 million per grant annually. The Office may not award more than 50% of the amount available under the grant program in a single year to one grant applicant, unless there are no other grant applicants in that year.

A grant applicant must certify to the Office when applying that the applicant is currently in compliance with all State and Federal environmental laws or regulations applicable to the port facility and that the applicant has not received notice of any violation of a State or Federal environmental law or regulation applicable to the facility in the three years before applying for the grant. The grant applicant also must certify annually to the Office if the applicant participates in the Program for more than one year that the applicant has not received notice of any violation of a State environmental law or regulation applicable to the applicant's port facility in the past year.

#### Maritime and Port Facility Assistance Fund

The Act creates the Fund in the State Treasury and requires the State Treasurer to deposit money and other assets received from any source into the Fund. The State Treasurer must direct the investment of money in the Fund and credit interest and earnings from investment to the Fund. The Office is the administrator of the Fund for audit purposes, and the Office must expend money from the Fund, on appropriation, only for the purposes of the Act and those provided by in House Bill 5291.

Money in the Fund at the close of the fiscal year does not lapse into the General Fund.

MCL 247.659d & 247.660s (H.B. 5291)  
120.151-120.157 (S.B. 744)

Legislative Analyst: Tyler P. VanHuyse

#### **FISCAL IMPACT**

##### **House Bill 5291**

The bill will 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 may cover these expenses.

##### **Senate Bill 744**

The bill will 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 may cover these expenses. Indirectly, the bills may have a positive fiscal impact on local port facilities if the Office is able

to identify and assist those port facilities in applying for Federal funding. The bill also creates a new fund; however, it will not cost State or local government any money until revenue is appropriated into the Maritime and Port Facility Assistance Fund.

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.