



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 5291 (Substitute H-1 as passed by the House)
Sponsor: Representative Jack O'Malley
House Committee: Transportation
Senate Committee: Economic and Small Business Development

Date Completed: 3-3-22

CONTENT

The bill would amend the Michigan Transportation Fund law to create the Maritime and Port Facility Improvement Office in the Michigan Department of Transportation and to establish a port facility improvement grant program to provide grants to fund port facility improvements.

Specifically, the bill would create the Maritime and Port Facility Improvement Office in the Michigan Department of Transportation to serve as the central point of contact for statewide maritime operations and operators and, subject to provisions below, to implement and administer the program by doing all the following:

- Awarding grants to publicly or privately-owned port facilities to fund port facility improvements.
- Establishing criteria for awarding grants based on the impact the project would have on direct port activity, on increasing the amount or value of freight moving through the port, or on overall economic development or transportation opportunities in the region.
- Receiving and reviewing grant applications and prescribing the form, nature, and extent of the information that would have to be contained in a grant application.
- Before disbursing grant money, entering into a grant agreement with the recipient.

The bill would define "port facility" as a commercial facility located alongside a navigable waterway used for the loading and unloading of cargo from commercial vessels. The term would include any of the following:

- 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 of 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 described above.

"Port facility improvement" would mean creating or improving a port facility and other projects related to a port facility.

The bill also would create the Port Facility Improvement Fund in the State Treasury to fund the grant program. The State Treasurer could receive money or other assets from any source for deposits into the Fund. The State Treasurer could direct the investment of the Fund and credit to it interest and earnings from Fund investments. Money in the Fund at the close of the fiscal year would remain in the Fund and would not lapse to the General Fund.

The bill would make the Office the administrator of the Port Facility Improvement Fund for audits of the Fund. The Office would have to spend money from the Fund, upon appropriation, for the implementation and administration of the program and to fund grants.

Proposed MCL 247.659d & 247.660s

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill 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 Improvement Office. It is possible that existing appropriations for freight programs could cover these expenses. The bill also would create a new fund; however, it would not cost State or local government any money until revenue was appropriated into the 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.