Senate Fiscal Agency
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BILL ANALYSIS

Senate Bill 52 (as reported without amendment)
Sponsor: Senator Erika Geiss
Committee: Transportation and Infrastructure

CONTENT

The bill would amend the Port Authority Act to do the following:

-- Allow port authorities to enter, amend, and terminate ancillary financing facilities, such as revolving credit agreements, an interest rate exchange, and a currency exchange agreement, among other facilities.
-- Allow an authority and a city or county requesting the incorporation of an authority (constituent unit) to enter a contract for the construction, operation, or financing of facilities or to refund any prior indebtedness of the authority.
-- Allow an authority to provide by resolution for the issuance of revenue refunding bonds to pay the cost of refunding any prior indebtedness of the authority.
-- Allow contracting constituent units to set aside general revenues on behalf of an authority.
-- Extend port authority activities to include port and related facilities, in addition to other extensions.
-- Allow a port authority to enter into public-private partnerships or other agreements necessary or useful to accomplish the purposes of the Act.
-- Provide that an authority's unencumbered funds remaining at the end of a fiscal year would not revert to the State or constituent units but would carry forward.

MCL 120.102 et al.

BRIEF RATIONALE

Port authorities are entities that manage ports and other related transportation infrastructure. Michigan has several port authorities, which some believe are an untapped economic development resource. Reportedly, port authorities often own or operate old industrial sites on waterfront property. Due to a decline in cargo activity, many of these sites are now vacant and could be repurposed as commercial and tourism spaces. Accordingly, it has been suggested that port authorities be empowered to pursue economic development projects.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The bill would not have a direct fiscal impact on the State or local units of government. It would allow for ancillary finance facilities for port authorities. If port authorities chose to enter these arrangements, there would be additional costs to those port authorities in the form of interest and fees on those facilities.

Date Completed: 2-12-25

Fiscal Analyst: Bobby Canell