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BILL ANALYSIS

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Senate Bill 272 (as enrolled)  
Sponsor: Senator Mike Kowall  
Senate Committee: Economic Development  
House Committee: Commerce

Date Completed: 1-14-15

**CONTENT**

**The bill would amend the Michigan Strategic Fund (MSF) Act to:**

- **Include port facilities as economic development projects.**
- **Include bridges and bridge facilities and dredging of recreational or commercial harbors as a "project".**
- **Include lenders, and other entities approved by the MSF board, within the definition of "person".**
- **Require the Governor to establish and appoint an advisory committee to make recommendations to the board regarding projects related to port facilities.**
- **Include the Michigan Economic Development Corporation among those to whom the MSF board may delegate its functions and authority.**

Under a variety of programs, the Act provides for financial assistance to eligible private entities and municipalities for economic development projects, among other things. "Economic development project" means an endeavor related to industrial, commercial, or agricultural enterprise. The term includes, but is not limited to, agricultural or forestry production, harvesting, storage, or processing facilities or equipment, a theme or recreation park, and the use of equipment or facilities designed to produce energy from renewable resources. Under the bill, the term also would include port facilities.

The bill would define "port facilities" as seawall jetties; piers; wharves; docks; boat landings; marinas; warehouses; storehouses; elevators; grain bins; cold storage plants; bunkers; oil tanks; ferries; canals; locks; bridges; tunnels; seaways; conveyors; modern appliances for the economical handling, storage, and transportation of freight and handling of passenger traffic; transfer and terminal facilities required for the efficient operation and development of ports and harbors; other harbor improvements; or improvements, enlargements, remodeling, or extensions of any of these buildings or structures. "Port facilities" would not include an international bridge or international tunnel.

The proposed advisory committee would have to contain nine members appointed by the Governor. Five of the members would have to represent the interests of the following geographical areas of the State as determined by the Governor:

- The Upper Peninsula.
- The southwest area.
- The northern Lower Peninsula.
- The southeast area.
- The thumb or midstate area.

Additionally, the committee would have to include the following:

- One member representing the interests of the agricultural business supply and handling industry.
- One member representing the interests of the aggregate supply community.
- One member appointed from at least two nominees of the Senate Majority Leader.
- One member appointed from at least two nominees of the Speaker of the House of Representatives.

All of the individuals appointed to the advisory committee would have to be knowledgeable about port facilities or economic development as determined by the Governor, and would serve at the pleasure of the Governor.

MCL 125.2004 et al.

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

The bill would expand the purposes of the Michigan Strategic Fund to include a variety of port facilities (not including an international bridge or tunnel) and dredging of recreational or commercial harbors. The bill does not make any appropriation for this purpose. Funding of these activities would depend on future appropriations or the ability of the MSF board to allocate existing funds for these new purposes. The ability to direct fund to projects related to port facilities or marinas would depend on the conditions attached to the appropriations and the statutory limitations on the use of funds.

The Michigan Strategic Fund would incur a minimal amount of additional administrative costs to staff the advisory committee on port facilities that would be appointed by the Governor to advise the MSF board on port facilities. These costs would be absorbed within existing resources.

Fiscal Analyst: Elizabeth Pratt

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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.