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SFA**BILL ANALYSIS**

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House Bill 5813 (as passed by the House)
Sponsor: Representative Scott Shackleton
House Committee: Great Lakes and Tourism
Senate Committee: Transportation and Tourism

Date Completed: 6-1-00

CONTENT

The bill would amend Public Act 99 of 1954, which provides for the International Bridge Authority, to do the following:

- **Delete a requirement that the International Bridge become a free bridge when the bonds issued under the Act have been paid.**
- **Permit the Authority to enter into an interlocal agreement with the owner of the Canadian portion of the bridge project to provide for joint oversight and operation.**
- **Provide for the payment of revenue to a local unit of government pursuant to the interlocal agreement.**
- **Transfer the project to the Michigan Department of Transportation (MDOT).**

The Act authorized the International Bridge Authority to issue revenue bonds payable from the tolls and revenues pledged for their payment, and limited the term of the bonds to 40 years. When the bonds have been fully paid, that portion of the bridge project in Michigan is to be conveyed to the State, the Authority is to be dissolved, and the bridge must become a free bridge without any tolls or charges for its use by the public. The bill would delete the requirement that the bridge become a free bridge. The bill specifies that the project would be conveyed to the State Transportation Department. The Department would have to assume all of the powers and responsibilities of the Authority under the Act and use the Authority's property and funds for the bridge project.

The bill would permit the Authority to enter into an interlocal agreement with the owner of the Canadian portion of the project or its authorized agent to provide for joint operational and policy oversight and for operation, maintenance, repair, and improvement of the project in the United States and Canada by an administrative unit within MDOT. The Governor would have to appoint the members of a separate joint United States-Canadian body created under the interlocal agreement to provide joint operational and policy oversight of the project. An MDOT employee would not be eligible for appointment to this body.

Further, if taxes or assessments were imposed by law in Canada on the Canadian portion of the project to be paid from bridge revenue under the interlocal agreement, an equal sum could be spent in Michigan from bridge revenue for purposes similar to those of the taxes or assessments, for reasonable appurtenances, or for the maintenance or improvement of access to the bridge. If taxes or assessments were paid directly to a Canadian local unit of government, an equal sum would have to be paid directly to a Michigan local unit of government.

The Act empowers the Authority to collect tolls for use of the bridge in an amount sufficient to pay the cost of maintaining, repairing, and operating the project, and paying the principal of and interest on the bonds. The bill states that revenue collected from the use or disposition of the project would be appropriated exclusively for those purposes.

In addition, the Authority is permitted to acquire property and interests in land as it considers necessary or

convenient for the construction and operation of the project. The bill would extend this to the acquisition of property for the purpose of repair and improvement. The bill also specifies that the term "cost" would include the cost to operate, maintain, repair, or improve the project.

The bill also would repeal sections of the Act that created the Authority and ratified the appointment of its members in 1954 (MCL 254.202 and 254.239).

MCL 254.221 et al.

Legislative Analyst: S. Lowe

FISCAL IMPACT

According to the International Bridge Authority's audited financial statement, the Authority collected \$5,046,762 in tolls for the year ending August 31, 1999. The bill would continue the authority to charge tolls (currently \$1.50 per car). Without the authorization to continue to collect bridge tolls, State revenue will decrease by approximately \$5.0 million. Bridge toll revenue is dedicated to maintaining, repairing, and operating the International Bridge. Total expenditures for bridge toll collection, maintenance, and administration amounted to \$2,737,651 in 1999. Another \$2,630,677 was transferred out to pay debt service and long-term capital projects.

The bill also could result in increased State payments to locals as a result of the provision allowing bridge revenue to be paid directly to a Michigan local unit of government under an interlocal agreement.

Fiscal Analyst: C. Thiel

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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.