



Senate Fiscal Agency
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Lansing, Michigan 48909-7536

BILL ANALYSIS



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Senate Bill 97 (as reported without amendment)
Sponsor: Senator Mike Kowall
Committee: Commerce

CONTENT

The bill would create the "Michigan Alternative Project Delivery Act" to do the following:

- Allow a public authority (the State, a State department, or a State agency) to enter into public-private agreements to develop eligible projects, enter into ancillary agreements to public-private agreements, and exercise eminent domain to acquire property necessary for an eligible project (a transportation project or a health care or laboratory facility).
- Require a public authority to consider and compare various methods for developing a project and identify the proposed delivery method.
- Require a public authority to hold a public hearing at least every five years after completion of a project to conduct a public review.
- Require a public authority, when developing a facility project under a public-private agreement, to consult with the State Budget Director regarding the future fiscal impact of the project on the affected State department, agency, or authority.
- Allow any lawful source of public and private funding to be used for the development of an eligible project under the proposed Act.
- Allow a public authority to impose or increase and collect fees, including user fees (which would not include tolls charged on a transportation project).
- Authorize a public authority to include provisions addressing the allocation of project risk, payment terms, utilities, and other matters in a public-private agreement.
- Specify that authority granted under the Act would supplement any existing authority.
- Provide that property developed or held by a private party under a public-private agreement would be exempt from all applicable State and local ad valorem and other property taxes.
- Allow a public authority or another authorized person to bring a civil suit against a person who failed to pay a user fee if the required sum remained unpaid for 180 days.

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have an indeterminate, though likely minimal, fiscal impact at the State and local levels. The bill would not directly create new revenue or costs. The bill would empower a public authority with options to manage, create, and spend revenue sources, including private investment, grants, Federal aid, the imposition of user fees (excluding tolls), and bond issuance, but the bill would not mandate a specific method, or methods, of revenue creation.

Date Completed: 2-15-17

Fiscal Analyst: Michael Siracuse