



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 464 (Substitute S-2 as reported by the Committee of the Whole)
Senate Bill 465 (Substitute S-4 as reported)
Senate Bill 466 (as reported without amendment)
Senate Bill 467 (Substitute S-1 as reported)
Senate Bill 468 (Substitute S-1 as reported)
Sponsor: Senator Jason E. Allen (S.B. 464)
 Senator Tony Stamas (S.B. 465)
 Senator Jim Barcia (S.B. 466)
 Senator Mike Prusi (S.B. 467)
 Senator Jud Gilbert, II (S.B. 468)
Committee: Transportation

CONTENT

The bills would amend several statutes to do all of the following:

- Relieve the Mackinac Bridge Authority of its obligation to repay the State money advanced for Authority bonds.
- Appropriate to the Authority at least \$5.9 million annually from the State Trunkline Fund for capital improvement projects.
- Allow the Authority's corporate existence to continue after its liabilities had been met and bonds repaid.
- Require the Authority to hold hearings on reducing the bridge toll to the rate in effect before May 1, 2003.
- Prohibit the Authority from charging tolls to emergency vehicles.

Senate Bills 464 (S-2) and 468 (S-1) are tie-barred. Senate Bill 465 (S-4) also is tie-barred to Senate Bill 464.

Senate Bill 464 (S-2) would amend the Mackinac Bridge Authority law to require the Authority, within two months of the bill's effective date, to hold public hearings to investigate the feasibility of reducing toll rates charged on June 1, 2003, to the rates charged before May 1, 2003. The Authority would have to take into consideration the appropriations it receives from the State Trunkline Fund.

The bill also would allow the corporate existence of the Authority to continue after its liabilities had been met and its bonds, including refunding bonds, had been paid in full or otherwise discharged. Under the current law, the Authority is to exist only until its liabilities have been met and bonds paid or discharged, at which point all rights and property of the Authority are to pass to and be vested in the State.

Senate Bill 465 (S-4) would amend Public Act 51 of 1951, which appropriates money in the State Trunkline Fund for specific purposes in a particular order of priority. The bill would add that, beginning in fiscal year 2003-04, the fifth purpose would be the appropriation of at least \$5.9 million annually to the Mackinac Bridge Authority for capital improvement projects.

Senate Bill 466 would amend the Motor Fuel Tax Act to delete a requirement that the Mackinac Bridge be operated as a free bridge once the Authority reimburses the State for advances made in Section 161 of the Act and in Section 7 of the Mackinac Bridge Authority law. (Those sections provide for annual appropriations to the Authority for the payment of Authority

bonds.)

Senate Bill 467 (S-1) would amend the Mackinac Bridge Authority law to prohibit the Authority from charging tolls or charges to authorized emergency vehicles in the process of responding to an emergency, or transporting or returning from transporting a patient from a health facility or agency to another health facility or agency, beginning July 1, 2003. The law currently requires all individuals or vehicles, except the Authority's vehicles or personnel, to pay a toll for using the bridge.

Senate Bill 468 (S-1) would amend the Mackinac Bridge Authority law to delete a requirement that, once the cost of the bridge is fully paid and the State Transportation Department reimbursed for any sums paid, the Bridge be maintained and operated by the State as a free bridge. Under the bill, the Authority would continue to maintain and operate the bridge. The bill further specifies that, as of March 1, 2003, all advances made by the State to the Authority pursuant to the Motor Fuel Tax Act would be repaid or forgiven.

MCL 254.312 (S.B. 464)
247.661 (S.B. 465)
207.1163 (S.B. 466)
254.322 (S.B. 467)
254.317 (S.B. 468)

Legislative Analyst: Julie Koval

FISCAL IMPACT

Senate Bill 464 (S-2) would have no fiscal impact on State or local government.

Senate Bill 465 (S-4) would redirect State-restricted transportation revenues. Under the bill, \$5,900,000 annually (beginning FY 2003-04) would be earmarked in the State Trunkline Fund (STF) for the Mackinac Bridge Authority, to be used to reduce the toll charged. Currently, the Authority does not receive any revenue from the STF. This redirection would reduce the STF resources available to the Michigan Department of Transportation (MDOT) for administering its annual road and bridge program. The STF annually receives revenue from the Michigan Transportation Fund (MTF) as well as various fees and taxes. In FY 2001-02, STF revenue totaled \$874,445,000.

Senate Bill 466 would redirect State-restricted transportation revenues. The Motor Fuel Tax Act requires that annually \$3,500,000 from the MTF be appropriated to repay the principal and interest on bonds issued for the Mackinac Bridge Authority and lower tolls. The Act provides that when the bonds have been repaid, the appropriation ceases. Further, the Act requires the Authority to repay the MTF for the advances it received, after all bonds have been repaid. The Act does not set a repayment schedule for the advances.

The Authority received the annual \$3,500,000 appropriation from 1969 through 1986, when the bonds were repaid. In total, the Bridge received \$63,000,000 from the MTF. As of FY 2001-02, the Authority had reimbursed the MTF \$9,750,000. Annual repayments in recent years have totaled \$250,000.

Senate Bill 467 (S-1) would reduce State revenue collected by the Authority by prohibiting it from charging tolls to authorized emergency vehicles. It is estimated that the revenue lost from this prohibition would be \$7,800 annually.

Senate Bill 468 (S-1) would relieve the Authority from further repayments to the MTF. Therefore, the MTF would "lose" revenue of \$53,250,000, or approximately \$250,000 annually based on the current repayment schedule. Overall, the loss of MTF revenue would reduce funding available to the Comprehensive Transportation Fund by \$5,325,000, STF by \$18,738,700, county road commissions by \$1,8738,700, and cities and villages by \$10,447,600.

Senate Bill 468 (S-1) also would relieve the Authority from repaying the STF for operating advances received from 1958 through 1986. The Act authorized an annual advance, not to exceed \$417,000, from the STF to help defray the operating expenses of the Authority. These advances were made from 1958 until 1986, when the bonds for construction of the bridge were repaid in full. The advances totaled \$12,300,000. As of FY 2001-02, the Authority had not reimbursed the STF. The "loss" of this future revenue to the STF effectively would reduce the amount of resources available to the Michigan Department of Transportation to administer its annual road and bridge program.

Date Completed: 6-18-03

Fiscal Analyst: Craig 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.