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House Bill 4627 (Substitute H-1 as reported with amendment)
Sponsor: Representative Tom Casperson
House Committee: Transportation
Senate Committee: Transportation

CONTENT

The bill would amend the Mackinac Bridge Authority law to specify that, as of March 1, 2003, all advances made to the Authority by the State pursuant to the Section 7(2) of the law and Sections 161 and 163 of the Motor Fuel Tax Act would be repaid or forgiven. (Section 7(2) provides for appropriations to the Authority for expenses of operating, repairing, and maintaining the bridge, from motor fuel and vehicle registration taxes. The Motor Fuel Tax Act provides for the appropriation of motor fuel tax revenue to the Authority for the repayment of bonds issued by the Authority.)

The bill also would 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, and could continue to charge tolls, fees, rates, and charges for use of the bridge.

MCL 254.317

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would relieve the Authority from further repayments to the Michigan Transportation Fund (MTF) associated with the advances made by the State to the Authority from 1958 to 1986. 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, the State Trunkline Fund (STF) by \$18,738,700, county road commissions by \$1,8738,700, and cities and villages by \$10,447,600.

The bill also would relieve the Authority from repaying the STF for operating advances received from 1958 through 1986. The Motor Fuel Tax 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: 7-15-03

Fiscal Analyst: Craig Thiel