

# **Bond Case Briefs**

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## **Michigan Public-Private Partnership Authorization Nears Passage.**

A bill package headed to the Michigan governor's desk would authorize certain municipalities to enter into public-private partnerships to get needed bridge work done.

Options to cover road and bridge repairs in Michigan are a constant pursuit at the statehouse. Since taking office, Gov. Gretchen Whitmer has advocated for a 45-cent fuel tax increase.

In the past year, the governor signed into law a bill to have the Michigan Department of Transportation hire an independent consulting firm to study the feasibility of collecting tolls on interstates. The agency is interested in the viability of tolls on Interstates 75, 94 and 96.

### **Local public-private partnerships**

The bill package headed to Whitmer addresses infrastructure needs.

SB1215-1218 would update the state's Home Rule Act to allow cities with moveable bridges, or bascule bridges, to enter into public-private partnerships to cover repairs and construction.

Sen. Ken Horn, R-Frankenmuth, said the legislation is intended to benefit the entire Great Lakes Bay Region. There is no specific municipality identified, but he said it would benefit municipalities like Bay City.

The locale near the base of the Saginaw Bay on Lake Huron has two bridges described by legislators as "in dire need of repair."

Horn and Sens. Jeremy Moss, D-Southfield, and Wayne Schmidt, R- Traverse City, say costs to make repairs far outweigh what is feasible from the local level.

"Unfortunately, especially after revenues have been even further affected by COVID-19, the city's repair needs are beyond available funding at all levels of government," Horn said in prepared remarks.

According to a legislative analysis, Bay City has partnered with United Bridge Partners to work on the city's two bascule bridges. The Legislature must act before the work can get underway.

SB1215 also would specify that tolls could not be collected on drivers until a bridge is either renovated or constructed. Additionally, toll agreements could be for up to 75 years.

Other bills in the package cover limits on affected projects, how counties approve projects, and public-private partnership tax collection.

In addition to Bay City, bascule bridges in the region are located in Alpena, Manistee, Menominee, Port Huron, and South Haven.

## **Tolling study**

The 2020 law giving the state DOT authority to move forward with a tolling study requires consideration to be given to the economic impact, providing discounts to in-state drivers, toll amounts, and how to pay for the toll. The impact of tolls on out-of-state operators expected to use Michigan interstates also will be considered.

A written report on the firm's findings will be provided to state officials. At that time, the governor will be authorized to move forward with a strategic plan to implement tolls.

If the state were to decide to move forward with toll implementation, a federal waiver would be required to collect tolls on highways built with federal funds.

## **Land Line Media**

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