

SUBSTITUTE FOR
SENATE BILL NO. 1197

A bill to amend 1952 PA 214, entitled

"An act authorizing the Mackinac bridge authority to acquire a bridge connecting the upper and lower peninsulas of Michigan, including causeways, tunnels, roads and all useful related equipment and facilities, including park, parking, recreation, lighting and terminal facilities; extending the corporate existence of the authority; authorizing such authority to enjoy and carry out all powers incident to its corporate objects; authorizing the appropriation and use of state funds for the preliminary purposes of the authority; providing for the payment of the cost of such bridge and in that connection authorizing the authority to issue revenue bonds payable solely from the revenues of the bridge; granting the right of condemnation to the authority; granting the use of state land and property to the authority; making provisions for the payment and security of such bonds and granting certain rights and remedies to the holders thereof; authorizing banks and trust companies to perform certain acts in connection therewith; authorizing the imposition of tolls and charges; authorizing the authority to secure the consent of the United States government to the construction of the bridge and to secure approval of plans, specifications and location of same; authorizing employment of engineers irrespective of whether such engineers have been previously employed to make preliminary inspections or reports with respect to the bridge; authorizing the state highway department to operate and maintain such bridge or to contribute thereto and enter into leases and agreements in connection therewith; exempting such bonds and the property of the authority from taxation; prohibiting

competing traffic facilities; authorizing the operation of ferries by the authority; providing for the construction and use of certain buildings; and making an appropriation,"

by amending the title and section 5 (MCL 254.315), the title as amended by 1992 PA 120 and section 5 as amended by 1983 PA 123, and by adding section 14.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act authorizing the Mackinac bridge authority to acquire a bridge **AND A UTILITY TUNNEL** connecting the upper and lower peninsulas of Michigan, including causeways, tunnels, roads and all useful related equipment and facilities, including park, parking, recreation, lighting, and terminal facilities; extending the corporate existence of the authority; authorizing ~~such~~ **THE** authority to enjoy and carry out all powers incident to its corporate objects; authorizing the appropriation and use of state funds for the preliminary purposes of the authority; providing for the payment of the cost of ~~such~~ **THE** bridge and ~~in that connection~~ authorizing the authority to issue revenue bonds payable solely from the revenues of the bridge; granting the right of condemnation to the authority; granting the use of state land and property to the authority; making provisions for the payment and security of ~~such~~ bonds and granting certain rights and remedies to the holders thereof, **OF BONDS**; authorizing banks and trust companies to perform certain acts in connection therewith, **WITH THE PAYMENT AND SECURITY OF BONDS**; authorizing the imposition of tolls and charges; authorizing the authority to secure the consent of the United States government to the construction of the bridge and to secure

1 approval of plans, specifications, and location of ~~same~~, **THE**
 2 **BRIDGE**; authorizing employment of engineers ~~irrespective~~ **REGARDLESS**
 3 of whether ~~such~~ **THOSE** engineers have been previously employed to
 4 make preliminary inspections or reports with respect to the bridge;
 5 authorizing the state ~~highway~~ **TRANSPORTATION** department to operate
 6 and maintain ~~such~~ **THE** bridge or to contribute thereto **TO THE BRIDGE**
 7 and enter into leases and agreements in connection therewith, **WITH**
 8 **THE BRIDGE**; exempting ~~such~~ bonds and the property of the authority
 9 from taxation; prohibiting competing traffic facilities;
 10 authorizing the operation of ferries by the authority; **AUTHORIZING**
 11 **THE OPERATION OF A UTILITY TUNNEL BY THE AUTHORITY**; providing for
 12 the construction and use of certain buildings; and making an
 13 appropriation.

14 Sec. 5. (1) The authority ~~is hereby authorized~~ **MAY** by
 15 resolution ~~or resolutions~~ of the board ~~to~~ provide for the issuance
 16 of revenue bonds for the purpose of paying the cost of the bridge
 17 or for the purpose of refunding the bonds, including refunding
 18 bonds, or for any combination of ~~such~~ **THESE** purposes. ~~Such~~
 19 ~~refunding~~ **REFUNDING** bonds may be either sold at not less than par
 20 and accrued interest or may be delivered in exchange for the bonds
 21 to be refunded or may be sold in part and exchanged in part and if
 22 sold, the proceeds ~~thereof~~ **OF THE SALE OR EXCHANGE** when received,
 23 together with other properly available funds sufficient to pay the
 24 balance of the principal, interest, and redemption premiums ~~which~~
 25 **THAT** will be due on the bonds to be refunded, shall be deposited
 26 with the paying agent for the bonds to be ~~so~~ refunded and used only
 27 for the purpose of making ~~said~~ **THOSE** payments. ~~Any such~~ **A** sale or

1 exchange ~~shall be~~ **DESCRIBED IN THIS SUBSECTION IS** subject to the
 2 approval of the state administrative board. The board may enter
 3 into ~~such~~ contracts for fiscal agents' services in connection with
 4 the financing of the bridge as ~~may be~~ approved by the state
 5 administrative board, or the state treasurer may be used as fiscal
 6 agent.

7 (2) Principal of and interest and redemption premiums on the
 8 bonds issued ~~hereunder shall be~~ **UNDER THIS SECTION ARE** payable
 9 solely from the revenues of the authority, except that ~~said~~
 10 payments may also be made from the proceeds of refunding bonds
 11 issued ~~hereunder~~ **UNDER THIS SECTION** and capitalized interest may be
 12 paid from the proceeds of the bonds. ~~Such~~ **THE** bonds may be either
 13 serial bonds, ~~or~~ term bonds, or ~~any~~ **A** combination thereof. ~~OF~~
 14 **SERIAL AND TERM BONDS.** Any serial bonds shall have annual or
 15 semiannual maturities, the first maturity of which shall be payable
 16 not more than 10 years from their date. ~~Any~~ **A** term bonds shall be
 17 **BOND IS** redeemable on any interest payment date at ~~such~~ **A** price ~~or~~
 18 ~~prices~~ and upon ~~such~~ terms and conditions as prescribed by the
 19 authorizing resolution of the board, and recited upon the face of
 20 the ~~bonds~~. ~~The bonds~~ **BOND.** **A BOND** shall mature not more than 50
 21 years from ~~their~~ **ITS** date, shall be **A** coupon ~~bonds~~ **BOND** bearing
 22 interest at not more than 6% per annum, payable semiannually except
 23 as to the first coupon which may be for any number of months not
 24 exceeding 10, shall be payable in ~~such~~ **A** medium, shall be in ~~such~~ **A**
 25 form and executed in ~~such~~ **A** manner, shall have ~~such~~ **A** privilege of
 26 registration as to principal or principal and interest, shall be
 27 payable at ~~such~~ **A** place ~~or~~ ~~places~~ ~~within~~ **INSIDE** or ~~without~~ the

1 **OUTSIDE THIS** state, and shall otherwise have ~~such~~ other details as
 2 ~~may be fixed~~ by resolution of the board. Serial bonds may be made
 3 redeemable prior to maturity at ~~such~~ **A price or prices** and under
 4 ~~such~~ terms and conditions ~~as may be prescribed~~ in the resolution of
 5 the board, and recited upon the face of the bonds.

6 (3) ~~All such bonds~~ **A BOND ISSUED UNDER THIS SECTION** shall
 7 contain a statement on ~~their~~ **ITS** face that neither the ~~bonds~~ **BOND**
 8 nor the ~~coupons~~ **COUPON** representing interest ~~thereon constitute~~ **ON**
 9 **THE BOND CONSTITUTES** an indebtedness of ~~the~~ **THIS** state of Michigan
 10 within the meaning of any constitutional limitations or
 11 prohibitions and that neither the authority nor ~~the~~ **THIS** state is
 12 authorized to pay ~~such bonds~~ **THE BOND** or interest except from the
 13 revenues pledged ~~thereto~~ **TO THE BOND OR INTEREST** under the
 14 ~~provisions of~~ this act. In case any official whose signature
 15 appears on ~~such bonds~~ **A BOND** or ~~coupons~~ shall ~~cease~~ **COUPON CEASES**
 16 to be ~~such~~ **AN** officer before the delivery of ~~such bonds,~~ ~~such~~ **THE**
 17 **BOND, HIS OR HER** signature shall nevertheless be valid and
 18 sufficient for all purposes ~~with like effect~~ as though ~~such person~~
 19 **HE OR SHE** had remained in office until delivery. ~~All such bonds are~~
 20 ~~hereby declared to be~~ **A BOND ISSUED UNDER THIS SECTION IS** fully
 21 negotiable and ~~to have~~ **HAS** all of the qualities incident to
 22 negotiable instruments under the uniform commercial code, subject
 23 only to the provisions for registration of the ~~bonds which may~~
 24 ~~appear therein.~~ ~~Such bonds shall be~~ **BOND THAT APPEARS IN THE BOND.**
 25 **A BOND ISSUED UNDER THIS SECTION IS** exempt from all taxation by ~~the~~
 26 **THIS** state or ~~any of its~~ **A** political ~~subdivisions~~ **SUBDIVISION OF**
 27 **THIS STATE** and shall be sold at public sale after notice at least 5

1 days before the sale in a publication approved by the department of
2 treasury for the carrying of ~~such~~**THE** notice, but no ~~such~~ sale
3 shall be made at a price that will result in an interest cost of
4 more than 6% per annum. However, all or any part of ~~such bonds~~**A**
5 **BOND ISSUED UNDER THIS SECTION** may be sold to the United States
6 government or ~~any~~**AN** agency thereof, ~~OF THE UNITED STATES~~
7 **GOVERNMENT**, at private sale, ~~without~~ public offering and the
8 authority is authorized to enter into any agreements or contracts
9 with the United States government or any of its agencies necessary
10 to provide for the financing of the bridge in the manner
11 contemplated by this act. ~~Such bonds~~**A BOND ISSUED UNDER THIS**
12 **SECTION** may be authorized and may be issued from time to time as
13 needed and subsequent series or issues thereof shall enjoy ~~OF A~~
14 **BOND ISSUED UNDER THIS SECTION HAVE** equal or subordinate status
15 with respect to the pledge of revenues from which ~~they are~~**THE BOND**
16 **IS** payable as ~~may be~~ provided in the proceedings authorizing ~~their~~
17 **ITS** issuance. Any public sale, or negotiated sale of ~~the bonds~~**A**
18 **BOND ISSUED UNDER THIS SECTION** with the United States government or
19 any of its agencies, ~~shall be~~**IS** subject to the approval of the
20 state administrative board. Prior to the preparation of **A**
21 definitive ~~bonds~~**BOND**, the board may provide for the issuance of **A**
22 temporary ~~bonds~~**BOND** with or without ~~coupons~~**A COUPON**,
23 exchangeable for **A** definitive ~~bonds~~**BOND** upon the issuance of the
24 latter. ~~TEMPORARY BOND~~. The proceedings authorizing ~~the bonds~~**A**
25 **BOND ISSUED UNDER THIS SECTION** may provide that ~~such bonds~~**THE BOND**
26 shall contain a recital that ~~they are~~**IT IS** issued pursuant to
27 **UNDER** this act and ~~such~~**THE** recital shall be ~~IS~~ conclusive evidence

1 of ~~their~~-ITS validity and the regularity of ~~their~~-ITS issuance.

2 (4) THIS SECTION DOES NOT APPLY TO THE ACQUISITION,
3 CONSTRUCTION, OPERATION, MAINTENANCE, IMPROVEMENT, REPAIR, OR
4 MANAGEMENT OF A UTILITY TUNNEL. AS USED IN THIS SUBSECTION,
5 "UTILITY TUNNEL" MEANS THAT TERM AS DEFINED IN SECTION 14.

6 SEC. 14. (1) THE AUTHORITY MAY ACQUIRE, CONSTRUCT, OPERATE,
7 MAINTAIN, IMPROVE, REPAIR, AND MANAGE A UTILITY TUNNEL. THE
8 AUTHORITY SHALL DETERMINE THE RATES CHARGED FOR THE SERVICES
9 OFFERED BY THE UTILITY TUNNEL. THE AUTHORITY MAY ENTER INTO
10 CONTRACTS OR AGREEMENTS NECESSARY TO PERFORM ITS DUTIES AND POWERS
11 UNDER THIS ACT, INCLUDING, BUT NOT LIMITED TO, LEASING THE RIGHT TO
12 USE A UTILITY TUNNEL ON TERMS AND FOR CONSIDERATION DETERMINED BY
13 THE AUTHORITY. THIS SUBSECTION DOES NOT AUTHORIZE THE AUTHORITY TO
14 INCUR OBLIGATIONS THAT WOULD CONSTITUTE AN INDEBTEDNESS OF THIS
15 STATE CONTRARY TO THE STATE CONSTITUTION OF 1963.

16 (2) THE AUTHORITY MAY PURCHASE OR OTHERWISE ACQUIRE AT A FAIR
17 AND REASONABLE PRICE PROPERTY AND PROPERTY RIGHTS IN CONNECTION
18 WITH THE CONSTRUCTION OF A UTILITY TUNNEL, INCLUDING, BUT NOT
19 LIMITED TO, ROADS, STRUCTURES, RIGHTS-OF-WAY, FRANCHISES,
20 EASEMENTS, AND OTHER INTERESTS IN LAND, INCLUDING LAND UNDER WATER;
21 THE RIPARIAN RIGHTS OF ANY PERSON; AND THE RIGHT TO CUT OFF LIGHT,
22 AIR, AND ACCESS TO REAL PROPERTY.

23 (3) THE AUTHORITY MAY ENTER ON ANY LAND, WATER, OR PREMISES TO
24 MAKE A SURVEY, SOUNDING, OR EXAMINATION IN CONNECTION WITH THE
25 CONSTRUCTION OF A UTILITY TUNNEL. THE AUTHORITY HAS THE RIGHT TO
26 USE AND FULL EASEMENTS AND RIGHTS-OF-WAY THROUGH, ACROSS, UNDER,
27 AND OVER ANY LANDS OR PROPERTY OWNED BY THIS STATE OR IN WHICH THIS

1 STATE HAS ANY RIGHT, TITLE, OR INTEREST, WITHOUT CONSIDERATION,
2 THAT MAY BE NECESSARY OR CONVENIENT TO THE CONSTRUCTION AND
3 EFFICIENT OPERATION OF THE UTILITY TUNNEL.

4 (4) THE AUTHORITY MAY PERFORM ALL ACTS NECESSARY TO SECURE THE
5 CONSENT OF ANY DEPARTMENT, AGENCY, INSTRUMENTALITY, OR OFFICER OF
6 THE UNITED STATES GOVERNMENT OR THIS STATE TO THE CONSTRUCTION AND
7 OPERATION OF A UTILITY TUNNEL AND THE CHARGING OF FEES FOR ITS USE,
8 AND TO SECURE THE APPROVAL OF ANY DEPARTMENT, AGENCY,
9 INSTRUMENTALITY, OR OFFICER OF THE UNITED STATES GOVERNMENT OR THIS
10 STATE REQUIRED BY LAW TO APPROVE THE PLANS, SPECIFICATIONS, AND
11 LOCATION OF THE UTILITY TUNNEL OR THE FEES TO BE CHARGED FOR THE
12 USE OF THE UTILITY TUNNEL.

13 (5) THE CREATION OF THE AUTHORITY AND THE CARRYING OUT OF THE
14 AUTHORITY'S PURPOSES, INCLUDING A UTILITY TUNNEL, ARE FOR THE
15 BENEFIT OF THE PEOPLE OF THIS STATE AND CONSTITUTE A PUBLIC
16 PURPOSE, AND THE AUTHORITY IS PERFORMING AN ESSENTIAL GOVERNMENT
17 FUNCTION IN THE EXERCISE OF THE POWERS CONFERRED UPON IT BY THIS
18 ACT. ALL PROPERTY OWNED BY THE AUTHORITY RELATED TO A UTILITY
19 TUNNEL IS EXEMPT FROM ALL TAXES LEVIED BY THIS STATE AND ALL OF ITS
20 POLITICAL SUBDIVISIONS AND TAXING DISTRICTS, AND THE AUTHORITY IS
21 NOT REQUIRED TO PAY TAXES OR ASSESSMENTS UPON ITS ACTIVITIES OR
22 UPON ANY OF ITS REVENUES. IF A TAX OF ANY NATURE IS LEGALLY IMPOSED
23 ON ANY PROPERTY OR OBLIGATION OF THE AUTHORITY IN CONNECTION WITH A
24 UTILITY TUNNEL, AND THAT TAX IS DETERMINED TO BE VALID AND
25 EFFECTIVE, THE TAX SHALL BE PAID FROM THE REVENUES OF THE AUTHORITY
26 AS AN EXPENSE OF MAINTAINING AND OPERATING THE UTILITY TUNNEL.

27 (6) AS USED IN THIS SECTION, "UTILITY TUNNEL" MEANS A TUNNEL

1 JOINING AND CONNECTING THE UPPER AND LOWER PENINSULAS OF THIS STATE
2 AT THE STRAITS OF MACKINAC FOR THE PURPOSE OF ACCOMMODATING UTILITY
3 INFRASTRUCTURE, INCLUDING, BUT NOT LIMITED TO, PIPELINES, ELECTRIC
4 TRANSMISSION LINES, FACILITIES FOR THE TRANSMISSION OF DATA AND
5 TELECOMMUNICATIONS, ALL USEFUL AND RELATED FACILITIES, EQUIPMENT,
6 AND STRUCTURES, AND ALL NECESSARY TANGIBLE OR INTANGIBLE REAL AND
7 PERSONAL PROPERTY, LICENSES, FRANCHISES, EASEMENTS, AND RIGHTS-OF-
8 WAY.