

# HOUSE BILL No. 5028

June 29, 2005, Introduced by Reps. Palsrok, Casperson, Farhat, Nofs, Kolb, Proos, Farrah, Garfield, Gosselin, Tobocman, Huizenga, Stahl, Lipsey, Amos and Lemmons, III and referred to the Committee on Natural Resources, Great Lakes, Land Use, and Environment.

A bill to create and provide for the operation of the Michigan port authority; to provide for the creation and appointment of a board to govern the authority and to prescribe its powers and duties; to provide for the powers and duties of the authority; to extend protections against certain liabilities to the authority; to provide for the issuance of certain bonds, notes, and other obligations; to facilitate the use and development of authority property and port facilities; to promote economic growth; to exempt property, income, and operations of an authority from tax; and to provide an appropriation.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. This act shall be known and may be cited as the  
2 "Michigan port authority act".

1           Sec. 2. As used in this act:

2           (a) "Authority" means the Michigan port authority created  
3 under section 3.

4           (b) "Authorized purposes" means activities that enhance,  
5 foster, aid, provide, or promote transportation, economic  
6 development, housing, recreation, education, governmental  
7 operations, culture, or research within this state.

8           (c) "Board" means the governing body of the authority  
9 described in section 4.

10          (d) "Department" means the department of labor and economic  
11 growth described in Executive Order No. 2003-18.

12          (e) "Develop" means the acquisition, financing, purchase,  
13 construction, reconstruction, rehabilitation, remodeling,  
14 improvement, enlargement, repair, condemnation, maintenance, or  
15 operation of port facilities.

16          (f) "Fund" means the Michigan port authority fund created in  
17 section 20.

18          (g) "Governmental agency" means a department, agency, or  
19 commission of this state or of a county, city, village, or township  
20 of this state.

21          (h) "Local unit of government" means a city, county, township,  
22 or village.

23          (i) "Michigan economic development corporation" means the  
24 public body corporate created under section 28 of article VII of  
25 the state constitution of 1963 and the urban cooperation act of  
26 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual  
27 interlocal agreement effective April 5, 1999 between local

1 participating economic development corporations formed under the  
2 economic development corporations act, 1974 PA 338, MCL 125.1601 to  
3 125.1636, and the Michigan strategic fund under the Michigan  
4 strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2093.

5 (j) "Person" means an individual, partnership, corporation,  
6 limited liability company, association, governmental entity, or  
7 other legal entity.

8 (k) "Port facilities" means real or personal property, or any  
9 combination of real or personal property, that is owned, leased, or  
10 otherwise controlled or financed by a port authority and is related  
11 to, useful for, or in furtherance of, 1 or more authorized  
12 purposes.

13 Sec. 3. (1) There is created by this act a public body  
14 corporate and politic known as the Michigan port authority. The  
15 authority shall be located within the department.

16 (2) The authority shall exercise its prescribed statutory  
17 powers, duties, and functions independently of the director of the  
18 department. The budgeting, procurement, and related administrative  
19 functions of the authority shall be performed under the direction  
20 and supervision of the director of the department.

21 (3) The authority may contract with the department for the  
22 purpose of maintaining the rights and interests of the authority.

23 (4) The accounts of the authority may be subject to annual  
24 financial audits by the state auditor general. Records of the  
25 authority shall be maintained according to generally accepted  
26 accounting principles.

27 Sec. 4. (1) The authority created under this act shall be

1 governed by the Michigan port authority board, which shall consist  
2 of 7 board members who are residents of this state. Of the members  
3 first appointed under subsection (2)(d), 2 shall be appointed for a  
4 term of 2 years and 2 shall be appointed for a term of 3 years.

5 (2) The members of the board shall be as follows:

6 (a) The chief executive officer of the Michigan economic  
7 development corporation, or his or her designee, as chairperson of  
8 the authority.

9 (b) The director of the department of labor and economic  
10 growth, or his or her designee.

11 (c) The director of the state transportation department, or  
12 his or her designee.

13 (d) Four other members appointed by the governor by and with  
14 the advice and consent of the senate who are not employed by this  
15 state and who have knowledge, skill, and experience in economic  
16 development. Of the members appointed by the governor under this  
17 subsection, 1 shall be appointed from 1 or more nominees of the  
18 majority leader of the senate and 1 shall be appointed from 1 or  
19 more nominees of the speaker of the house of representatives.

20 (3) Upon appointment to the board under subsection (2) and  
21 upon the taking and filing of the constitutional oath of office  
22 prescribed in section 1 of article XI of the state constitution of  
23 1963, a member of the board shall enter the office and exercise the  
24 duties of the office.

25 (4) After the first appointment, each member shall serve a  
26 term of 4 years, except that a person appointed to fill a vacancy  
27 shall be appointed for the balance of the unexpired term. The

1 governor shall fill a vacancy in the office by appointment in the  
2 same manner as an appointment under subsection (2). A member of the  
3 board shall hold office until a successor has been appointed and  
4 qualified. A member of the board is eligible for reappointment.

5 (5) Members of the board and officers and employees of the  
6 authority are considered public servants subject to 1968 PA 317,  
7 MCL 15.321 to 15.330, and 1968 PA 318, MCL 15.301 to 15.310. A  
8 member of the board or an officer, employee, or agent of the  
9 authority shall discharge the duties of the position in a  
10 nonpartisan manner, in good faith, in the best interests of the  
11 authority, and with the degree of diligence, care, and skill that  
12 an ordinarily prudent person would exercise under similar  
13 circumstances in a like position. In discharging duties of the  
14 office, a member of the board or an officer, employee, or agent of  
15 the authority, when acting in good faith, may rely upon a majority  
16 vote of a quorum of the board, upon the opinion of counsel for the  
17 authority, upon the report of an independent appraiser selected  
18 with reasonable care by the board, or upon financial statements of  
19 the authority represented to the member of the board, officer,  
20 employee, or agent to be correct by the officer of the authority  
21 having charge of its books or accounts or stated in a written  
22 report by the auditor general or a certified public accountant or a  
23 firm of accountants to fairly reflect the financial condition of  
24 the authority.

25 (6) The board shall elect a vice-chairperson, secretary, and  
26 any additional officers of the board considered necessary by the  
27 board from among its members. All elected officers of the board

1 shall be elected annually by the board. Members of the board shall  
2 serve without compensation, but shall be reimbursed for actual and  
3 necessary expenses.

4       Sec. 5. (1) Upon the appointment of at least 4 members of the  
5 board under section 4, the board may hold its first meeting. The  
6 first meeting of the board shall be held not more than 60 days  
7 after the date the authority is created.

8       (2) The board shall organize and adopt its own policies,  
9 procedures, schedule of regular meetings, and a regular meeting  
10 date, place, and time. The board shall conduct all business at  
11 public meetings held in compliance with the open meetings act, 1976  
12 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and  
13 place of each meeting shall be given in the manner required by the  
14 open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

15       (3) A writing prepared, owned, used, in the possession of, or  
16 retained by the board in the performance of an official function  
17 shall be made available to the public in compliance with the  
18 freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

19       (4) A board may act only by resolution. A majority of the  
20 members of the board then in office, or of any committee of the  
21 board, shall constitute a quorum for the transaction of business.  
22 The board shall meet in person or by means of electronic  
23 communication devices that enable all participants in the meeting  
24 to communicate with each other. A vote of a majority of the members  
25 of the board serving at the time of the vote is necessary to  
26 approve the issuance by the authority of bonds, to approve or amend  
27 the annual budget of the authority. Except as otherwise provided in

1 this act, a vote of the majority of the board members present at a  
2 meeting at which a quorum is present constitutes the action of the  
3 board or of the committee.

4 (5) Before the beginning of each fiscal year, the board shall  
5 prepare a budget containing an itemized statement of the estimated  
6 current operational expenses for the operation of the authority and  
7 development of port facilities in this state, the amount necessary  
8 to pay the principal and interest of any outstanding bonds or other  
9 obligations of the authority maturing during the ensuing fiscal  
10 year or that have previously matured and are unpaid, an estimate of  
11 the revenue of the authority from all sources for the ensuing  
12 fiscal year, and other amounts necessary to further the purposes of  
13 this act. The authority's budget shall be funded by proceeds  
14 derived from gifts, grants, loans, and other aids from any person  
15 or the federal government, this state, or a local government or any  
16 agency of the federal government, this state, or a local  
17 government.

18 Sec. 6. (1) The board may appoint a person, other than a  
19 member of the board, to serve as director of the authority, to whom  
20 the authority may delegate any of its administrative powers and  
21 authorization.

22 (2) Subject to the approval of the board, the director shall  
23 supervise, and be responsible for, all of the following:

24 (a) The performance of the functions of the authority under  
25 this act.

26 (b) A regular report describing the activities and financial  
27 condition of the authority.

1 (c) The issuance of bonds and notes approved by the board.

2 (d) All other activities or functions that the board considers  
3 necessary.

4 (3) The board may employ legal and technical experts, private  
5 consultants and engineers, accountants, and other agents or  
6 employees for rendering professional and technical assistance and  
7 advice as may be necessary. The authority shall determine the  
8 qualifications, duties, and compensation of those it employs.

9 Sec. 7. Except as otherwise provided in this act, the  
10 authority may do all things necessary to implement the purposes of  
11 this act, including, but not limited to, all of the following:

12 (a) Adopt, amend, and repeal bylaws for the regulation of its  
13 affairs and the conduct of its business.

14 (b) Adopt an official seal and alter the seal at the pleasure  
15 of the board.

16 (c) Sue and be sued in its own name and plead and be  
17 impleaded.

18 (d) Solicit and accept gifts, grants, loans, and other  
19 assistance from any person or the federal, the state, or a local  
20 government or any agency of the federal, the state, or a local  
21 government or participate in any other way in any federal, state,  
22 or local government program.

23 (e) Research and publish studies, investigations, surveys, and  
24 findings on the developing and operations of port facilities.

25 (f) Finance, direct, or otherwise aid in the planning,  
26 construction, and design of port facilities.

27 (g) Finance, direct, or otherwise aid in the securing of port



1 facilities and surrounding areas in this state.

2 (h) Make grants, loans, and investments; guarantee and insure  
3 loans, leases, bonds, notes, or other indebtedness, whether public  
4 or private; and issue letters of credit.

5 (i) Construct; acquire by gift, purchase, installment  
6 purchase, or lease; and reconstruct, improve, repair, or equip a  
7 port facility or any part of a port facility, including related  
8 infrastructure.

9 (j) Borrow money and issue bonds and notes to finance part or  
10 all of the costs of developing port facilities and secure those  
11 bonds and notes by mortgage, assignment, or pledge of any of its  
12 money, revenues, income, and properties.

13 (k) Acquire or contract to acquire from a person, a  
14 municipality, the federal or state government, or an agency of the  
15 federal or state government, leaseholds, real or personal property,  
16 or any interest in real or personal property and own, hold, clear,  
17 improve, and rehabilitate and sell, assign, exchange, transfer,  
18 convey, lease, mortgage, or otherwise dispose of or encumber  
19 leaseholds, real or personal property, or any interest in real or  
20 personal property, as is convenient for the accomplishment of the  
21 purposes of this act and of the authority.

22 (l) Procure insurance against any loss in connection with the  
23 authority's property, assets, or activities.

24 (m) Invest any money of the authority, at the board's  
25 discretion, in any bond, note, or other obligation determined  
26 proper by the board, and name and use depositories for its money.

27 (n) Contract for goods and services and engage personnel as

1 necessary and engage the services of private consultants, managers,  
2 legal counsel, engineers, accountants, and auditors for rendering  
3 professional financial assistance and advice payable out of any  
4 money of the authority.

5 (o) Charge, impose, and collect fees and charges in connection  
6 with any transaction and provide for reasonable penalties for  
7 delinquent payment of fees or charges.

8 (p) Indemnify and procure insurance indemnifying any members  
9 of the board or employees of the board from personal loss or  
10 accountability from liability asserted by a person on the bonds or  
11 notes of the authority or from any personal liability or  
12 accountability by reason of the issuance of the bonds, notes,  
13 insurance, or guarantees; by reason of acquisition, construction,  
14 ownership, or operation of a project; or by reason of any other  
15 action taken or the failure to act by the authority.

16 (q) Mortgage or create security interests in a port facility  
17 or any part of a port facility, or in a lease or loan, or in the  
18 rents, revenues, or sums to be paid under a lease or loan, in favor  
19 of the holders of the bonds or notes issued by the authority.

20 (r) Convey or release a port facility or any part of a port  
21 facility to a lessee, purchaser, or borrower under any agreement  
22 after provision has been made for the retirement in full of the  
23 bonds or notes issued for that port facility under terms and  
24 conditions provided in the agreement or as may be agreed with the  
25 holders of the bonds or notes, at any time where the obligation of  
26 the lessee, purchaser, or borrower to make the payments prescribed  
27 shall remain fixed as provided in the agreement notwithstanding the

1 conveyance or release, or as may otherwise be agreed with the  
2 holders of the bonds or notes.

3 (s) Promulgate rules pursuant to the administrative procedures  
4 act of 1969, 1969 PA 306, MCL 24.201 to 24.328, necessary to carry  
5 out the purposes of this act.

6 (t) Do all other things necessary to promote and develop port  
7 facilities in this state.

8 Sec. 8. (1) The authority may acquire real or personal  
9 property or rights or interests in real or personal property by  
10 gift, devise, transfer, exchange, foreclosure, purchase, or  
11 otherwise on terms and conditions and in a manner the authority  
12 considers proper. The authority may own, lease, convey, demolish,  
13 relocate, or rehabilitate real or personal property or rights or  
14 interests in real or personal property, consistent with the  
15 purposes of this act.

16 (2) Real property acquired by the authority by purchase may be  
17 obtained by any method considered desirable by the authority. The  
18 authority may purchase real property or rights or interests in real  
19 property for any purpose the authority considers necessary to carry  
20 out the purposes of this act.

21 (3) The authority may acquire by condemnation lands, property  
22 rights, rights of way, franchises, easements, and other property,  
23 or parts of property or rights in property, of a person,  
24 partnership, association, or corporation considered by the  
25 authority to be necessary for the construction or efficient  
26 operation of a port facility. A facility currently operated as a  
27 port facility by a terminal operator or a facility owned or

1 operated by a common carrier or public utility shall be exempt from  
2 this subsection. The condemnation shall be made in the manner  
3 provided under 1966 PA 295, MCL 213.361 to 213.391, or the uniform  
4 condemnation procedures act, 1980 PA 87, MCL 213.51 to 213.75,  
5 except where that procedure may be inconsistent with this act.

6       Sec. 9. The authority may control, hold, manage, maintain,  
7 operate, repair, lease, secure, prevent the waste or deterioration  
8 of, demolish, and take all other actions necessary to preserve the  
9 value of property held by the authority.

10       Sec. 10. (1) The authority may authorize and issue its bonds  
11 or notes payable solely from revenues or funds available to the  
12 authority. Bonds and notes of the authority are not a debt or  
13 liability of this state and do not create or constitute any  
14 indebtedness, liability, or obligations of this state or constitute  
15 a pledge of the full faith or credit of this state. All authority  
16 bonds and notes shall be payable solely from revenues or funds  
17 pledged or available for their payment as authorized in this act.  
18 Each bond and note shall contain on its face a statement to the  
19 effect that the authority is obligated to pay the principal of and  
20 the interest on the bond or note only from revenue or funds of the  
21 authority pledged for the payment of principal and interest and  
22 that this state is not obligated to pay that principal and interest  
23 and that neither the full faith and credit nor the taxing power of  
24 this state is pledged to the payment of the principal of or the  
25 interest on the bond or note.

26       (2) All expenses incurred in carrying out this section shall  
27 be payable solely from revenues or funds provided or to be provided

1 under this act. This act does not authorize the authority to incur  
2 any indebtedness or liability on behalf of or payable by this  
3 state.

4 (3) Bonds and notes issued under this act are not subject to  
5 the revised municipal finance act, 2001 PA 34, MCL 141.2101 to  
6 141.2821.

7 (4) The issuance of bonds and notes under this section is  
8 subject to the agency financing reporting act, 2002 PA 470, MCL  
9 129.171 to 129.177.

10 Sec. 11. (1) The authority may issue from time to time bonds  
11 or notes in principal amounts the authority considers necessary to  
12 provide funds for any purpose, including, but not limited to, all  
13 of the following:

14 (a) The payment, funding, or refunding of the principal of,  
15 interest on, or redemption premiums on bonds or notes issued by the  
16 authority whether the bonds or notes or interest to be funded or  
17 refunded has or has not become due.

18 (b) The establishment or increase of reserves to secure or to  
19 pay authority bonds or notes or interest on those bonds or notes.

20 (c) The payment of interest on the bonds or notes for a period  
21 as the authority determines.

22 (d) The payment of all other costs or expenses of the  
23 authority incident to and necessary or convenient to carry out its  
24 authorized purposes and powers.

25 (2) The bonds or notes of the authority shall not be a general  
26 obligation of the authority but shall be payable solely from the  
27 revenues or funds, or both, pledged to the payment of the principal

1 of and interest on the bonds or notes as provided in the resolution  
2 authorizing the bonds or notes.

3 (3) The bonds or notes of the authority:

4 (a) Shall be authorized by resolution of the authority.

5 (b) Shall bear the date or dates of issuance.

6 (c) May be issued as either tax-exempt bonds or notes or  
7 taxable bonds or notes for federal income tax purposes.

8 (d) Shall be serial bonds, term bonds, or term and serial  
9 bonds.

10 (e) Shall mature at a time or times not exceeding 40 years  
11 from the date of issuance.

12 (f) May provide for sinking fund payments.

13 (g) May provide for redemption at the option of the authority  
14 at any time for any reason or reasons.

15 (h) May provide for redemption at the option of the bondholder  
16 at any time for any reason.

17 (i) Shall bear interest at a fixed or variable rate or rates  
18 of interest per year or at no interest.

19 (j) Shall be registered bonds, coupon bonds, or both.

20 (k) May contain a conversion feature.

21 (l) May be transferable.

22 (m) Shall be in the form, denomination or denominations, and  
23 with such other provisions and terms as are determined necessary or  
24 beneficial by the authority.

25 Sec. 12. (1) The authority may authorize and approve an  
26 insurance contract, an agreement for a line of credit, a letter of  
27 credit, a commitment to purchase notes or bonds, an agreement to

1 remarket bonds or notes, or any other transaction to provide  
2 security to assure timely payment of a bond or note.

3 (2) The authority may authorize payment from the proceeds of  
4 the notes or bonds, or other funds available, of the costs of  
5 issuance, including, but not limited to, fees for placement,  
6 charges for insurance, letters of credit, lines of credit,  
7 remarketing agreements, reimbursement agreements, or purchase or  
8 sales agreements or commitments, or agreements to provide security  
9 to assure timely payment of notes or bonds.

10 Sec. 13. Within limitations contained in the issuance or  
11 authorization resolution of the authority, the authority may  
12 authorize a member of the board, the director, or other officer of  
13 the authority to do 1 or more of the following:

14 (a) Sell and deliver and receive payment for notes or bonds.

15 (b) Refund notes or bonds by the delivery of new notes or  
16 bonds whether or not the notes or bonds to be refunded have matured  
17 or are subject to redemption.

18 (c) Deliver notes or bonds, partly to refund notes or bonds  
19 and partly for any other authorized purpose.

20 (d) Buy notes or bonds that are issued and resell those notes  
21 or bonds.

22 (e) Approve interest rates or methods for fixing interest  
23 rates, prices, discounts, maturities, principal amounts,  
24 denominations, dates of issuance, interest payment dates,  
25 redemption rights, at the option of the authority or the holder,  
26 the place of delivery and payment, and other matters and procedures  
27 necessary to complete the transactions authorized.

1 (f) Direct the investment of any and all funds of the  
2 authority.

3 (g) Approve the terms of a contract and execute and deliver  
4 the contract subject to the restrictions of this part.

5 (h) Approve the terms of any insurance contract, agreement for  
6 a line of credit, a letter of credit, a commitment to purchase  
7 notes or bonds, an agreement to remarket bonds or notes, an  
8 agreement to manage payment, revenue, or interest rate exposure, or  
9 any other transaction to provide security to assure timely payment  
10 of a bond or note.

11 (i) Perform any power, duty, function, or responsibility of  
12 the authority.

13 Sec. 14. A resolution authorizing bonds or notes may provide  
14 for all of the following that shall be part of the contract with  
15 the holders of the bonds or notes:

16 (a) A pledge to any payment or purpose all or any part of  
17 authority revenues or assets to which its right then exists or may  
18 later come to exist, of money derived from the revenues or assets,  
19 and of the proceeds of bonds or notes or of an issue of bonds or  
20 notes, subject to any existing agreements with bondholders or  
21 noteholders.

22 (b) A pledge of a loan, grant, or contribution from the  
23 federal, state, or local government.

24 (c) The establishment and setting aside of reserves or sinking  
25 funds and the regulation and disposition of reserves or sinking  
26 funds subject to this act.

27 (d) Authorization for and limitations on the issuance of



1 additional bonds or notes for the purposes provided for in the  
2 resolution and the terms upon which additional notes or bonds may  
3 be issued and secured.

4 (e) The procedure, if any, by which the terms of a contract  
5 with noteholders or bondholders may be amended or abrogated, the  
6 number of noteholders or bondholders who are required to consent to  
7 the amendment or abrogation, and the manner in which consent may be  
8 given.

9 (f) A contract with the bondholders as to the custody,  
10 collection, securing, investment, and payment of any money of the  
11 authority. Money of the authority and deposits of money may be  
12 secured in the manner determined by the authority. Banks and trust  
13 companies may give security for the deposits.

14 (g) Vest in a trustee, or a secured party, the property,  
15 income, revenue, receipts, rights, remedies, powers, and duties in  
16 trust or otherwise as the authority determines necessary or  
17 appropriate to adequately secure and protect noteholders and  
18 bondholders or to limit or abrogate the right of the holders of  
19 bonds or notes of the authority to appoint a trustee under this act  
20 or to limit the rights, powers, and duties of the trustee.

21 (h) Provide the trustee, the noteholders, or the bondholders  
22 remedies that may be exercised if the authority fails or refuses to  
23 comply with this act or defaults in an agreement made with the  
24 holders of an issue of bonds or notes, which may include, but are  
25 not limited to, the following:

26 (i) By mandamus or other action or proceeding at law or in  
27 equity, to enforce the rights of the bondholders or noteholders and

1 require the authority to carry out any other agreement with the  
2 holders of those notes or bonds and to perform the duties of the  
3 authority under this act.

4 (ii) Bring action upon the notes or bonds.

5 (iii) By action, require the authority to account as if it were  
6 the trustee of an express trust for the holders of the notes or  
7 bonds.

8 (iv) By action in equity, enjoin any acts or things that may be  
9 unlawful or in violation of the rights of the holders of the notes  
10 or bonds.

11 (v) Declare the notes or bonds due and payable and, if all  
12 defaults shall be made good, then, as permitted by the resolution,  
13 annul that declaration and its consequences.

14 (i) Any other matters of like or different character that in  
15 any way affect the security or protection of the bonds or notes.

16 Sec. 15. A pledge made by the authority shall be valid and  
17 binding from the time the pledge is made. The money or property  
18 pledged and then received by the authority immediately is subject  
19 to the lien of the pledge without physical delivery or further act.  
20 The lien of a pledge is valid and binding as against parties having  
21 claims of any kind in tort, contract, or otherwise against the  
22 authority and is valid and binding as against the transfers of  
23 money or property pledged, irrespective of whether parties have  
24 notice. The resolution, the trust agreement, or any other  
25 instrument by which a pledge is created is not required to be  
26 recorded in order to establish and perfect a lien or security  
27 interest in the property pledged.

1           Sec. 16. The members of the board and any person executing  
2 bonds or notes issued as provided in this act and any person  
3 executing any agreement on behalf of the authority is not  
4 personally liable on the bonds or notes by reason of their  
5 issuance.

6           Sec. 17. The authority may hold, cancel, or resell authority  
7 bonds or notes subject to or in accordance with an agreement with  
8 holders of authority bonds or notes.

9           Sec. 18. This state pledges to and agrees with the holders of  
10 bonds or notes issued in accordance with this act that this state  
11 shall not limit or restrict the rights vested in the authority by  
12 this act to fulfill the terms of an agreement made with the holders  
13 of authority bonds or notes or in any way impair the rights or  
14 remedies of the holders of the bonds or notes of the authority  
15 until the bonds and notes, together with interest on the bonds or  
16 notes and interest on any unpaid installments of interest, and all  
17 costs and expenses in connection with an action or proceedings by  
18 or on behalf of those holders are fully met, paid, and discharged.

19           Sec. 19. Notwithstanding any restriction in any other law,  
20 this state and a public officer, local unit of government, agency  
21 of this state or a local unit of government, an intergovernmental  
22 entity created under the laws of this state; a bank, trust company,  
23 savings bank and institution, savings and loan association,  
24 investment company, or other person carrying on a banking business;  
25 an insurance company, insurance association, or other person  
26 carrying on an insurance business; or an executor, administrator,  
27 guardian, trustee, or other fiduciary may legally invest funds

1 belonging to them or within their control in bonds or notes issued  
2 under this act, and authority bonds or notes shall be authorized  
3 security for public deposits.

4       Sec. 20. (1) The Michigan port authority fund is created under  
5 the jurisdiction and control of the authority and may be  
6 administered for the general operations of the authority and to  
7 secure any notes and bonds of the authority.

8       (2) The authority may receive money or other assets from any  
9 source for deposit into the fund. The authority shall credit to the  
10 fund interest and earnings from fund investments.

11       (3) Money in the fund at the close of the fiscal year shall  
12 remain in the fund and shall not lapse to the general fund.

13       (4) The authority shall expend money from the fund only for  
14 the authorized purposes provided in this act.

15       Sec. 21. The authority created under this act shall be exempt  
16 from and shall not be required to pay taxes on property, both real  
17 and personal, belonging to the authority, which is used for a  
18 public or governmental purpose. Property of the authority is public  
19 property devoted to an essential public or governmental function  
20 and purpose. The authority's income and operation, including bonds  
21 or notes issued by the authority or the interest and income derived  
22 from the bonds or notes, are exempt from all taxes and special  
23 assessments of this state or a political subdivision of this state.

24       Sec. 22. This act shall be construed liberally to effectuate  
25 the legislative intent and its purposes. All powers granted shall  
26 be cumulative and not exclusive and shall be broadly interpreted to  
27 effectuate the intent and purposes and not as a limitation of

1 powers.

2           Sec. 23. There is appropriated from the general fund for  
3 initial implementation costs for this act the sum of \$100,000.00.

4           Enacting section 1. This amendatory act does not take effect  
5 unless Senate Bill No. \_\_\_\_\_ or House Bill No. 5029(request no.  
6 02569'05 a \*) of the 93rd Legislature is enacted into law.