

# SENATE BILL No. 1301

September 20, 2012, Introduced by Senators KOWALL, CASPERSON, SMITH, YOUNG, COLBECK and GREEN and referred to the Committee on Transportation.

A bill to amend 1978 PA 639, entitled  
"Hertel-Law-T. Stopczynski port authority act,"  
by amending sections 2, 4, 5, 8, 9, 10, 12, 13, 14, 18, 22, 23, and  
24 (MCL 120.102, 120.104, 120.105, 120.108, 120.109, 120.110,  
120.112, 120.113, 120.114, 120.118, 120.122, 120.123, and 120.124),  
section 5 as amended by 2001 PA 244, sections 14 and 18 as amended  
by 2002 PA 412, and section 23 as amended by 1984 PA 256, and by  
adding sections 1a, 1b, 7a, 15a, 16a, 24a, and 24b; and to repeal  
acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 1A. THE LEGISLATURE FINDS ALL OF THE FOLLOWING:

2 (A) THAT THERE EXISTS IN THIS STATE CONDITIONS OF PROPERTY  
3 VALUE DETERIORATION DETRIMENTAL TO THE STATE ECONOMY AND THE

1 ECONOMIC GROWTH OF THIS STATE AND ITS LOCAL UNITS OF GOVERNMENT.

2 (B) THAT GOVERNMENT PROGRAMS ARE DESIRABLE AND NECESSARY TO  
3 ELIMINATE THE CAUSES OF PROPERTY VALUE DETERIORATION THEREBY  
4 BENEFITING THE ECONOMIC GROWTH OF THIS STATE.

5 (C) THAT IT IS APPROPRIATE TO FINANCE THESE GOVERNMENT  
6 PROGRAMS BY MEANS AVAILABLE TO THIS STATE AND LOCAL UNITS OF  
7 GOVERNMENT IN THIS STATE, INCLUDING THE ISSUANCE OF BONDS AND  
8 NOTES.

9 (D) THAT HALTING PROPERTY VALUE DETERIORATION AND PROMOTING  
10 ECONOMIC GROWTH IN THIS STATE ARE ESSENTIAL GOVERNMENTAL FUNCTIONS  
11 AND CONSTITUTE ESSENTIAL PUBLIC PURPOSES.

12 (E) THAT ECONOMIC DEVELOPMENT STRENGTHENS THE TAX BASE UPON  
13 WHICH LOCAL UNITS OF GOVERNMENT RELY AND THAT GOVERNMENT PROGRAMS  
14 TO ELIMINATE PROPERTY VALUE DETERIORATION BENEFIT LOCAL UNITS OF  
15 GOVERNMENT AND ARE FOR THE USE OF THE LOCAL UNITS OF GOVERNMENT.

16 (F) THAT THE PROVISIONS OF THIS ACT ARE ENACTED TO PROVIDE A  
17 MEANS FOR COUNTIES AND CITIES TO ELIMINATE PROPERTY VALUE  
18 DETERIORATION AND TO PROMOTE ECONOMIC GROWTH IN THE COMMUNITIES  
19 SERVED BY THOSE COUNTIES AND CITIES.

20 SEC. 1B. AN AUTHORITY SHALL FOSTER AND ENCOURAGE THE  
21 PARTICIPATION OF PRIVATE ENTERPRISE IN THE DEVELOPMENT OF PORT  
22 ECONOMIC DEVELOPMENT FACILITIES TO THE FULLEST EXTENT IT CONSIDERS  
23 PRACTICABLE IN THE INTEREST OF LIMITING THE NECESSITY OF  
24 ACQUISITION, CONSTRUCTION, AND OPERATION OF THOSE FACILITIES BY THE  
25 AUTHORITY.

26 Sec. 2. As used in this act:

27 (a) "Authority" means a port authority created under this act

1 and may also include the area within the jurisdiction of an  
2 authority.

3 (B) "AUTHORIZED PURPOSES" MEANS ACTIVITIES THAT ENHANCE,  
4 FOSTER, AID, PROVIDE, OR PROMOTE TRANSPORTATION, ECONOMIC  
5 DEVELOPMENT, HOUSING, RECREATION, EDUCATION, GOVERNMENTAL  
6 OPERATIONS, CULTURE, OR RESEARCH.

7 (C) ~~(b)~~—"Constituent unit" means a city or county requesting  
8 the incorporation of an authority.

9 (D) ~~(c)~~—"Governing body of the city" means the city council or  
10 city commission of a city requesting incorporation of an authority  
11 created under this act.

12 (E) ~~(d)~~—"Governing body of the county" means the county board  
13 of commissioners of a county participating in an authority created  
14 under this act.

15 (F) "PERSON" MEANS ANY INDIVIDUAL, FIRM, PARTNERSHIP, OR  
16 CORPORATION, OR ANY COMBINATION THEREOF.

17 (G) ~~(e)~~—"Port facilities" means ~~those facilities owned by the~~  
18 ~~port authority such as:~~ seawall jetties; piers; wharves; docks;  
19 boat landings; marinas; warehouses; storehouses; elevators; grain  
20 bins; cold storage plants; terminal icing plants; bunkers; oil  
21 tanks; ferries; **SHIPS**; canals; locks; bridges; tunnels; seaways;  
22 conveyors; modern ~~appliances~~ **FACILITIES** for the economical  
23 handling, storage, and transportation of freight and handling of  
24 passenger traffic; transfer and terminal facilities required for  
25 the efficient operation and development of ports and harbors; other  
26 harbor improvements; ~~ex~~-improvements, enlargements, remodeling, or  
27 extensions of any of these buildings or structures; **OR OTHER**

1 FACILITIES FUNCTIONALLY RELATED THERETO. PORT FACILITIES DO NOT  
 2 INCLUDE AN INTERNATIONAL BRIDGE OR INTERNATIONAL TUNNEL FOR MOTOR  
 3 VEHICLES USED ON A HIGHWAY.

4 (H) "PORT ECONOMIC DEVELOPMENT FACILITY" MEANS ANY REAL OR  
 5 PERSONAL PROPERTY, OR ANY COMBINATION THEREOF, INCLUDING, BUT NOT  
 6 LIMITED TO, MACHINERY, EQUIPMENT, PLANTS, FACTORIES, OFFICES,  
 7 BUILDINGS, AND OTHER STRUCTURES AND FACILITIES THAT ARE RELATED TO,  
 8 USEFUL FOR, OR IN FURTHERANCE OF 1 OR MORE AUTHORIZED PURPOSES.

9 (I) ~~(f)~~—"Project" means the acquisition, purchase,  
 10 construction, reconstruction, rehabilitation, **FINANCING**,  
 11 remodeling, improvement, enlargement, repair, condemnation,  
 12 maintenance, or operation of port facilities **OR PORT ECONOMIC**  
 13 **DEVELOPMENT FACILITIES.**

14 Sec. 4. (1) A city and county, a combination of counties, or a  
 15 combination consisting of at least 1 city and 1 county, by joint  
 16 resolution of their respective governing bodies, may request the  
 17 governor to authorize the incorporation of an authority. The  
 18 governor shall consider the recommendations of the **STATE**  
 19 **TRANSPORTATION** department ~~of state highways and transportation and~~  
 20 the department of ~~commerce~~ **LICENSING AND REGULATORY AFFAIRS** in  
 21 authorizing the authority. The initial articles of incorporation  
 22 shall be approved by the governor and may ~~thereafter~~ be amended by  
 23 resolution of the authority, subject to approval by the governor.  
 24 After approval by the governor, the articles of incorporation and  
 25 any amendments to those articles ~~shall be~~ **ARE** effective upon filing  
 26 with the secretary of state.

27 (2) An authority created under this act ~~shall be~~ **IS** a body

1 corporate and politic. **NOT MORE THAN 1 AUTHORITY SHALL BE CREATED**  
2 **WITHIN THE BOUNDARIES OF A COUNTY OR CITY.**

3 (3) The exercise by an authority of the powers conferred by  
4 this act ~~shall be~~ **ARE** considered and held to be an essential  
5 governmental function and a benefit to, and a legitimate public  
6 purpose of ~~the~~ **THIS** state, the authority, and the constituent  
7 units.

8 Sec. 5. (1) Except as provided in subsection (5), an authority  
9 shall consist of 5 or 7 members as follows:

10 (a) One member shall be appointed by the governor.

11 (b) The remaining members shall be appointed by the governing  
12 body of each city and the governing body of each county that  
13 requested the incorporation of the authority. The representation  
14 on, and the number of members of, the authority shall be determined  
15 by agreement among the incorporating units and included within the  
16 joint resolution requesting incorporation of the authority.

17 (2) The members first appointed shall serve staggered terms.  
18 After the first appointment, each member shall serve a term of 4  
19 years, except that a person appointed to fill a vacancy shall be  
20 appointed for the balance of the unexpired term. A member shall be  
21 eligible for reappointment.

22 (3) The members shall elect 1 of their membership as  
23 chairperson and another as vice-chairperson, shall designate the  
24 terms of office of those officers, and shall appoint a secretary-  
25 treasurer who need not be a member. A majority of the members of  
26 the authority shall constitute a quorum. The affirmative vote of a  
27 majority of the members ~~shall be~~ **IS** necessary for any action taken

1 by the authority.

2 (4) The members shall serve without compensation but shall be  
3 reimbursed for all necessary travel and other expenses incurred in  
4 the discharge of their duties.

5 (5) An authority that is established in a county having a  
6 population of 1,500,000 or more shall consist of 5 members as  
7 follows:

8 (a) One member shall be appointed by the governor.

9 (b) Two members shall be appointed by a majority of all the  
10 members of the county board of commissioners of the county. The  
11 members appointed shall be nominated by the commissioners on the  
12 board who do not reside within the political boundaries of a city  
13 having a population of ~~750,000~~ 600,000 or more.

14 (c) Two members shall be appointed by the mayor of a city  
15 having a population of ~~750,000~~ 600,000 or more that is located in  
16 the county.

17 (6) To the extent not protected by the immunity conferred by  
18 1964 PA 170, MCL 691.1401 to ~~691.1415~~, 691.1419, a member of the  
19 authority appointed under this section who exercises the powers  
20 contained in this act in good faith is immune from civil or  
21 administrative liability arising from that conduct, unless the  
22 conduct was gross negligence or willful and wanton misconduct.

23 **SEC. 7A. FINANCIAL AND PROPRIETARY INFORMATION, INCLUDING**  
24 **TRADE SECRETS, SUBMITTED BY OR ON BEHALF OF AN EMPLOYER TO AN**  
25 **AUTHORITY OR TO A NONPROFIT CORPORATION ENGAGED BY CONTRACT TO**  
26 **PROVIDE ECONOMIC DEVELOPMENT SERVICES FOR AN AUTHORITY, IN**  
27 **CONNECTION WITH THE RELOCATION, LOCATION, EXPANSION, IMPROVEMENT,**

1 OR PRESERVATION OF THE BUSINESS OF THAT EMPLOYER IS NOT A PUBLIC  
2 RECORD SUBJECT TO THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL  
3 15.231 TO 15.246. ANY OTHER INFORMATION SUBMITTED BY AN EMPLOYER  
4 UNDER THESE CIRCUMSTANCES IS NOT A PUBLIC RECORD SUBJECT TO THE  
5 PROVISIONS OF THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL  
6 15.231 TO 15.246, UNTIL THAT EMPLOYER COMMITS IN WRITING TO PROCEED  
7 WITH THE RELOCATION, LOCATION, EXPANSION, IMPROVEMENT, OR  
8 PRESERVATION.

9 Sec. 8. An authority may:

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

12 (b) Sue and be sued on the same basis as ~~the~~**THIS** state; and  
13 adopt and register with the secretary of state an official seal and  
14 alter that seal at its pleasure.

15 (c) Maintain offices at a place or places, either within or  
16 without its jurisdiction as it may determine.

17 (d) Acquire **BY GIFT OR PURCHASE, OWN, construct, reconstruct,**  
18 **rehabilitate, improve, maintain, FURNISH, EQUIP, SELL, EXCHANGE,**  
19 **lease as lessor or as lessee, repair, FINANCE, or operate, OR ANY**  
20 **COMBINATION OF THESE,** port facilities within its territorial  
21 jurisdiction, including the dredging of ship channels and turning  
22 basins and the filling and grading of land ~~therefor.~~**FOR THESE**  
23 **PURPOSES.** An authority may operate a leased facility, owned by the  
24 authority, if the lessee defaults and a new lease is negotiated or  
25 competitively bid.

26 **(E) ACQUIRE BY GIFT OR PURCHASE, OWN, CONSTRUCT, RECONSTRUCT,**  
27 **REHABILITATE, IMPROVE, MAINTAIN, FURNISH, EQUIP, SELL, EXCHANGE,**

1 LEASE AS LESSOR OR AS LESSEE, REPAIR, FINANCE, OR OPERATE, OR ANY  
2 COMBINATION OF THESE, PORT ECONOMIC DEVELOPMENT FACILITIES.

3 (F) ~~(e)~~—Designate the location and character of the port  
4 facilities which the authority may hold or own or over which it is  
5 authorized to act and regulate all matters related to the location  
6 and character of those port facilities.

7 ~~(f) Acquire, hold, and dispose of real and personal property.~~

8 (G) LOAN MONEY TO ANY PERSON IN CONNECTION WITH A PROJECT.

9 (H) GUARANTEE THE OBLIGATIONS OF ANY GOVERNMENTAL ENTITY IN  
10 CONNECTION WITH A PROJECT.

11 (I) ~~(g)~~—Make directly, or through the hiring of expert  
12 consultants, investigations and surveys of whatever nature,  
13 including studies of business conditions, freight rates, port  
14 services, physical surveys of the conditions of channels and  
15 structures, and the necessity for additional port facilities for  
16 the development and improvement of commerce and recreation and for  
17 the more expeditious handling of that commerce and recreation, and  
18 make studies, surveys, and estimates, as necessary for the  
19 execution of its powers under this act.

20 (J) ~~(h)~~—Promulgate all necessary rules to fulfill the purposes  
21 of this act.

22 (K) ~~(i)~~—Issue its bonds, notes, or other evidences of  
23 indebtedness as provided in this act.

24 (L) ~~(j)~~—Fix and revise from time to time and charge and collect  
25 rates, fees, rentals, or other charges for the use of a facility  
26 owned by the authority.

27 (M) MAKE SECURED OR UNSECURED LOANS, PARTICIPATE IN THE MAKING



1 OF SECURED OR UNSECURED LOANS, UNDERTAKE COMMITMENTS TO MAKE  
2 SECURED OR UNSECURED LOANS AND MORTGAGES, SELL LOANS AND MORTGAGES  
3 AT PUBLIC OR PRIVATE SALE, REWRITE LOANS AND MORTGAGES, DISCHARGE  
4 LOANS AND MORTGAGES, FORECLOSE ON A MORTGAGE, OR COMMENCE AN ACTION  
5 TO PROTECT OR ENFORCE A RIGHT CONFERRED UPON IT BY A LAW, MORTGAGE,  
6 LOAN, CONTRACT, OR OTHER AGREEMENT.

7 (N) ENTER INTO LEASES, AS LESSOR OR LESSEE, LEASE PURCHASE  
8 AGREEMENTS, INSTALLMENT SALES CONTRACTS, OR LOAN AGREEMENTS WITH  
9 ANY PERSON FOR THE USE, SALE, DEVELOPMENT, OR FINANCING OF A  
10 PROJECT.

11 (O) MORTGAGE OR CREATE SECURITY INTERESTS IN A PROJECT, A PART  
12 OF A PROJECT, A LEASE OR LOAN, OR THE RENTS, REVENUES, OR SUMS TO  
13 BE PAID DURING THE TERM OF A LEASE OR LOAN, IN FAVOR OF HOLDERS OF  
14 BONDS OR NOTES ISSUED BY THE AUTHORITY OR IN FAVOR OF A TRUSTEE OR  
15 CREDIT PROVIDER.

16 (P) ENTER INTO AN INTERLOCAL AGREEMENT WITH A PUBLIC AGENCY  
17 UNDER THE URBAN COOPERATION ACT OF 1967, 1967 (EX SESS) PA 7, MCL  
18 124.501 TO 124.512. AS USED IN THIS SUBDIVISION, "PUBLIC AGENCY"  
19 MEANS THAT TERM AS DEFINED IN SECTION 2 OF THE URBAN COOPERATION  
20 ACT OF 1967, 1967 (EX SESS) PA 7, MCL 124.502.

21 Sec. 9. An authority may:

22 (a) Appear in its own behalf before boards, commissions,  
23 departments, or other agencies of the federal government or of any  
24 state or international conferences and before committees of the  
25 congress of the United States and the state legislature in all  
26 matters relating to the design, establishment, construction,  
27 extension, operation, improvement, repair, or maintenance of a

1 project operated and maintained by the authority under this act,  
2 and appear before any federal or state agencies in matters relating  
3 to transportation rates, port services and charges, demurrage,  
4 switching, wharfage, towage, pilotage, differentials,  
5 discriminations, labor relations, trade practices, river and harbor  
6 improvements, aids to navigation, permits for structures in  
7 navigable waters, and all other matters affecting the physical  
8 development of, and the business interest of, the authority and  
9 those it serves.

10 (b) Make application for, receive and accept from any federal,  
11 state, or municipal agency, foundation, public or private agency,  
12 or individual, a grant or loan for, or in aid of, the planning,  
13 construction, operation, or financing of a port facility **OR PORT**  
14 **ECONOMIC DEVELOPMENT FACILITY**; and receive and accept contributions  
15 from any source of money, property, labor, or other things of  
16 value, to be held, used, and applied for the purposes for which the  
17 grant or contribution may be made.

18 (c) Appoint an executive director who shall be the chief  
19 administrative officer of the authority, and to whom the authority  
20 may delegate any of its administrative powers and authorizations.  
21 During employment the executive director shall not have a financial  
22 interest in port facilities or projects over which the authority  
23 has jurisdiction or power or authorization to act.

24 (d) Employ personnel as is necessary and employ the services  
25 of private consultants and engineers, legal counsel, accountants,  
26 construction and financial experts, and other agents for rendering  
27 professional and technical assistance and advice as may be

1 necessary, and whose compensation, including the executive  
2 director, shall be determined by the authority.

3 Sec. 10. An authority may:

4 (a) Subject to the authority of the federal government and ~~the~~  
5 **THIS** state, and with the agreement of the constituent units,  
6 provide for the preservation of navigation within its territorial  
7 jurisdiction, including the establishment by regulation of lines  
8 beyond which piers, bulkheads, wharves, pilings, structures,  
9 obstructions, or extensions of any character may not be built,  
10 erected, constructed, or extended; provide by regulation for the  
11 stationing, anchoring, and movement of vessels or other watercraft;  
12 adopt rules to prevent material, refuse, or matter of any kind from  
13 being thrown into, deposited, or placed where it may fall, or be  
14 washed, into navigable waters under its jurisdiction; ascertain the  
15 depth and course of the channels of those navigable waters; erect  
16 and maintain, authorize the erection and maintenance of, and make  
17 rules respecting wharves, bulkheads, piers, and piling, and the  
18 keeping of the same in repair, to prevent injury to navigation or  
19 health; regulate the use of wharves, docks, piers, bulkheads, or  
20 pilings owned by it; lease or rent the same, and impose and collect  
21 dockage from vessels and watercraft lying at, or using the same;  
22 and collect wharfage and other charges upon goods, wares,  
23 merchandise or other articles landed at, shipped from, stored on,  
24 or passed over the same.

25 (b) Make and enter into contracts, **LEASES**, and agreements  
26 necessary or incidental to the performance of its duties and the  
27 execution of its powers under this act.

1 (c) Lay out, construct, acquire, operate, lease, sell, and  
2 convey planned industrial districts as a part of port facilities  
3 within its jurisdiction, subject to the restrictions contained in  
4 this act upon operation and ownership of port facilities.

5 (d) Do all acts and things necessary or convenient to promote  
6 and increase commerce and recreation within its territorial  
7 jurisdiction and carry out the powers expressly granted and any  
8 powers implied or necessary for the exercise of the powers  
9 expressly granted in this act.

10 Sec. 12. (1) An authority may acquire by purchase or lease,  
11 when it considers the purchase or lease expedient, lands,  
12 structures, property ~~—~~rights, rights of way, franchises,  
13 easements, and other interests in lands **OR AIR SPACE** as it  
14 considers necessary or convenient for the construction or operation  
15 of a project, upon terms and at a price as considered reasonable  
16 and agreed upon between the authority and the owner thereof.

17 (2) An authority may acquire by condemnation lands, property  
18 rights, rights of way, franchises, easements, and other property,  
19 or parts thereof or rights therein, of a person, partnership,  
20 association, or corporation considered by the authority to be  
21 necessary for the construction or efficient operation of a ~~project.~~  
22 **PORT FACILITY.** However, a facility currently operated as a port  
23 facility by a terminal operator or a facility owned or operated by  
24 ~~and for the exclusive use of the owner or operator and a facility~~  
25 ~~owned or operated by a common carrier or public utility shall be~~ **IS**  
26 exempt from this subsection. The condemnation shall be made in the  
27 manner provided by ~~Act No. 295 of the Public Acts of 1966, as~~

1 ~~amended, being sections 213.361 to 213.391 of the Michigan Compiled~~  
2 ~~Laws, 1966 PA 295, MCL 213.361 TO 213.391, OR THE UNIFORM~~  
3 ~~CONDEMNATION PROCEDURES ACT, 1980 PA 87, MCL 213.51 TO 213.75,~~  
4 except where that procedure may be inconsistent with this act.

5 (3) An authority may sell or remove the buildings or other  
6 structures upon lands taken by the authority, and may sell or lease  
7 lands or rights or interest in lands or other property ~~taken or~~  
8 ~~purchased for the purposes of~~ **COMPRISING A PORT FACILITY UNDER** this  
9 act.

10 Sec. 13. (1) An authority and 1 or more constituent units may  
11 enter into a contract or contracts for the acquisition,  
12 improvement, enlargement, or extension of port facilities **OR PORT**  
13 **ECONOMIC DEVELOPMENT FACILITIES** and for the payment of the cost  
14 thereof by the contracting constituent units, with interest, over a  
15 period of not more than 40 years.

16 (2) Each contracting constituent unit ~~shall~~ **MAY** pledge its  
17 full faith and credit for the payment of its obligations under the  
18 contract. If the constituent unit has taxing power, each year it  
19 shall levy a tax upon all real and personal property within the  
20 constituent unit, which may be imposed without limitation as to  
21 rate or amount, to the extent necessary for the prompt payment of  
22 that part of the contract obligations as shall fall due before the  
23 following year's tax collection. The tax ~~shall be~~ **IS** in addition to  
24 any tax which the contracting constituent unit may otherwise be  
25 authorized to levy and may be imposed without limitation as to rate  
26 or amount, but shall not be in excess of the rate or amount  
27 necessary to pay the contract obligation. If any contracting

1 constituent unit at the time of its annual tax levy has on hand in  
 2 cash any amount pledged to the payment of the current obligations  
 3 for which the tax levy is to be made, then the annual tax levy may  
 4 be reduced by that amount. ~~For the purpose of obtaining the credit,~~  
 5 ~~funds~~

6 (3) **FUNDS** may be raised by a contracting constituent unit in 1  
 7 or more of the following methods:

8 (a) By service charge to users of the facilities owned,  
 9 **IMPROVED, CONTROLLED, OPERATED, OR MAINTAINED** by the port  
 10 authority.

11 (b) By setting aside state collected funds disbursed to the  
 12 contracting constituent unit.

13 (c) By special assessment upon lands benefited.

14 (d) By setting aside any other available money.

15 (4) ~~(3)~~ A contracting constituent unit may agree to raise all  
 16 or any part of its contract obligation by 1 or more of the methods  
 17 enumerated in subsection ~~(2)~~ ~~which~~ (3) **THAT** may be available. The  
 18 various powers granted in this act to a constituent unit shall be  
 19 exercised by its governing body.

20 (5) ~~(4)~~ If a constituent unit, other than a county, operating  
 21 under this act elects to raise money to pay all or a portion of its  
 22 share of the cost of a project by assessing the costs upon  
 23 benefited lands, its governing body shall so determine by  
 24 resolution and ~~fix~~ **ESTABLISH** the district therefor. The governing  
 25 body shall then cause a special assessment roll to be prepared. ~~and~~  
 26 ~~thereafter the proceedings in respect to~~ **THE PROCEDURES REGARDING**  
 27 the special assessment roll and the making and collection of the

1 special assessments on the roll, shall be in accordance with the  
 2 provisions of the statute or charter governing special assessments  
 3 in the constituent unit, except that the total assessment may be  
 4 divided into any number of installments not exceeding 30, and any  
 5 person assessed ~~shall have~~ **HAS** the right at the hearing upon the  
 6 special assessment roll to object to the special assessment  
 7 district previously established.

8       Sec. 14. (1) ~~An authority may provide by resolution for the~~  
 9 ~~issuance of revenue bonds of the authority for the purpose of~~  
 10 ~~providing funds for paying the cost of port facilities, or for~~  
 11 ~~paying the cost of an extension, enlargement, or improvement of a~~  
 12 ~~project then under the control of the authority. The bonds issued~~  
 13 ~~under this section shall mature at a time or times, not exceeding~~  
 14 ~~40 years after their date of issuance, as the authority may~~  
 15 ~~provide.~~ **FOR THE PURPOSE OF ACQUIRING, PURCHASING, CONSTRUCTING,**  
 16 **IMPROVING, ENLARGING, FURNISHING, EQUIPPING, REEQUIPPING, OR**  
 17 **REPAIRING PORT FACILITIES OR A PORT ECONOMIC DEVELOPMENT FACILITY,**  
 18 **THE AUTHORITY MAY ISSUE SELF-LIQUIDATING BONDS OF THE AUTHORITY IN**  
 19 **ACCORDANCE WITH AND EXERCISE ALL OF THE POWERS CONFERRED UPON**  
 20 **PUBLIC CORPORATIONS BY THE REVENUE BOND ACT OF 1933, 1933 PA 94,**  
 21 **MCL 141.101 TO 141.140.**

22 ~~—— (2) Revenue bonds issued under this section are subject to the~~  
 23 ~~revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.~~

24       (2) ~~(3)~~ Revenue bonds issued pursuant to **UNDER** this section  
 25 shall not be considered to constitute a debt of this state, a  
 26 political subdivision of this state, the authority, or any  
 27 constituent unit, or a pledge of the faith and credit of this state

1 or a political subdivision of this state or of the authority or any  
2 constituent unit, but shall be payable solely from the revenues or  
3 income to be derived from the projects. The revenue bonds shall  
4 contain on their face a statement to the effect that the bonds and  
5 attached coupons are payable solely from revenues and are not a  
6 general obligation of this state, a political subdivision of this  
7 state, the authority, or a constituent unit, and neither the faith  
8 and credit nor the taxing power of this state, a political  
9 subdivision of this state, the authority, or a constituent unit, is  
10 pledged to the payment of the principal of or the interest on the  
11 bonds.

12       **SEC. 15A. (1) AN AUTHORITY MAY BORROW MONEY AND ISSUE ITS**  
13 **REVENUE BONDS OR NOTES TO FINANCE OR REFINANCE PART OR ALL OF A**  
14 **PROJECT AND THE COSTS NECESSARY OR INCIDENTAL TO THE BORROWING OF**  
15 **MONEY AND ISSUING OF BONDS OR NOTES FOR THAT PURPOSE, AND MAY**  
16 **SECURE THOSE BONDS AND NOTES BY MORTGAGE, ASSIGNMENT, OR PLEDGE OF**  
17 **ANY OF THE AUTHORITY'S MONEY, REVENUES, INCOME, AND PROPERTIES.**  
18 **BONDS AND NOTES MAY BE ISSUED UNDER THIS SECTION REGARDLESS OF**  
19 **WHETHER THE AUTHORITY OWNS OR PROPOSES TO OWN THE PROJECT.**

20       **(2) BONDS AND NOTES ISSUED UNDER THIS SECTION ARE NOT SUBJECT**  
21 **TO THE REVENUE BOND ACT OF 1933, 1933 PA 94, MCL 141.101 TO**  
22 **141.140.**

23       **(3) BONDS AND NOTES ISSUED UNDER THIS SECTION ARE NOT SUBJECT**  
24 **TO THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO**  
25 **141.2821.**

26       **SEC. 16A. (1) AN AUTHORITY BY RESOLUTION MAY BORROW MONEY AND**  
27 **ISSUE MUNICIPAL SECURITIES IN ACCORDANCE WITH AND EXERCISE ALL OF**



1 THE POWERS CONFERRED UPON MUNICIPALITIES BY THE REVISED MUNICIPAL  
2 FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821.

3 (2) AN AUTHORITY BY RESOLUTION MAY BORROW MONEY AND ISSUE  
4 SHORT-TERM MUNICIPAL SECURITIES MATURING NOT MORE THAN 1 YEAR FROM  
5 THE DATE OF ISSUE IN ANTICIPATION OF THE COLLECTION OF REVENUES TO  
6 WHICH IT WILL BE ENTITLED TO RECEIVE WITHIN 1 YEAR FROM THE DATE OF  
7 THE SHORT-TERM MUNICIPAL SECURITIES' ISSUANCE. THE AMOUNT OF THE  
8 SHORT-TERM MUNICIPAL SECURITIES ISSUED UNDER THIS SECTION SHALL NOT  
9 EXCEED 100% OF THE REVENUES COLLECTED IN THE PRECEDING FISCAL YEAR  
10 NOT PLEDGED FOR THE PAYMENT OF A SECURITY OTHER THAN A SHORT-TERM  
11 MUNICIPAL SECURITY ISSUED UNDER THIS SECTION AS CONCLUSIVELY  
12 CERTIFIED BY THE AUTHORITY. THE RESOLUTION SHALL PROVIDE FOR THE  
13 PLEDGING OF ALL OR A PORTION OF THE REVENUES OF THE AUTHORITY NOT  
14 PREVIOUSLY PLEDGED FOR THE PAYMENT OF A SECURITY. THE RESOLUTION  
15 MAY ALSO PROVIDE FOR THE PLEDGING OF OTHER ASSETS OF THE AUTHORITY  
16 AS ADDITIONAL SECURITY FOR THE PAYMENT OF THE SHORT-TERM MUNICIPAL  
17 SECURITY. THE RESOLUTION ALSO SHALL PROVIDE THAT FROM THE RECEIPTS  
18 OF THE REVENUES IN ANTICIPATION OF WHICH THE AUTHORITY ISSUED THE  
19 SHORT-TERM MUNICIPAL SECURITY, THERE SHALL BE SET ASIDE IN A  
20 SPECIAL FUND TO BE USED FOR THE PAYMENT OF PRINCIPAL AND INTEREST  
21 ON THE SHORT-TERM MUNICIPAL SECURITY A PORTION OF EACH DOLLAR  
22 RECEIVED THAT IS NOT LESS THAN 125% OF THE PERCENTAGE THAT THE  
23 PRINCIPAL AMOUNT OF THE SHORT-TERM MUNICIPAL SECURITY BEARS TO THE  
24 AMOUNT CERTIFIED AS THE REVENUES ESTIMATED TO BE COLLECTED, UNTIL  
25 THE AMOUNT SET ASIDE IS SUFFICIENT FOR THE PAYMENT OF PRINCIPAL AND  
26 INTEREST ON THE SHORT-TERM MUNICIPAL SECURITY. THE AMOUNT SET ASIDE  
27 SHALL BE USED ONLY FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST ON

1 THE SHORT-TERM MUNICIPAL SECURITY UNTIL THE SHORT-TERM MUNICIPAL  
2 SECURITY IS PAID AS TO BOTH PRINCIPAL AND INTEREST.

3 Sec. 18. (1) In addition to the bonds authorized in ~~section~~  
4 **SECTIONS 14, 15A, AND 16A**, bonds may be issued for the ~~purpose of~~  
5 ~~acquiring port facilities, as follows.~~ **FOLLOWING PURPOSES:**

6 (a) By the issuance of bonds in anticipation of payments to  
7 become due under contracts by which 1 or more constituent units  
8 agree to pay to an authority operating under this act certain sums  
9 toward the cost of the acquisition, improvement, enlargement, or  
10 extension of a project that may be made under this act. Contracts  
11 are not subject to the revised municipal finance act, 2001 PA 34,  
12 MCL 141.2101 to 141.2821.

13 (b) By money advanced by an authority operating under this act  
14 under agreements with a constituent unit or other municipality for  
15 the repayment of the money.

16 (c) By money advanced, from time to time, before or during  
17 construction of a project, by a public corporation, for which an  
18 authority operating under this act shall reimburse the corporation  
19 with interest not to exceed ~~8% per annum~~ **THE RATE PROVIDED IN THE**  
20 **REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO**  
21 **141.2821**, or without interest as may be agreed, when funds are  
22 available for reimbursement. The obligation of an authority to make  
23 the reimbursement may be evidenced by a contract or note, which  
24 contract or note may be made payable out of the payments to be made  
25 by constituent units under contracts made pursuant to subdivision  
26 (b), or out of the proceeds of bonds issued ~~pursuant to~~ **UNDER** this  
27 act by the county or out of any other available funds.

1           (2) Bonds issued under this section shall be authorized by a  
2 resolution adopted by the authority. The bonds shall be issued in  
3 the name of the authority and shall be executed by the chairperson  
4 and secretary-treasurer of the authority, who shall also cause  
5 their facsimile signatures to be affixed to the interest coupons to  
6 be attached to the bonds. The authority shall adopt a seal that  
7 shall be affixed to the bonds. Bonds issued under this section  
8 shall be negotiable instruments and shall mature not more than 40  
9 years after the date of issuance. The bonds and coupons shall be  
10 made payable in lawful money of the United States and shall be  
11 exempt from all taxation whatsoever by this state or by any taxing  
12 authority within this state.

13           (3) Bonds or notes issued under this section are subject to  
14 the revised municipal finance act, 2001 PA 34, MCL 141.2101 to  
15 141.2821.

16           Sec. 22. (1) An authority created under this act ~~shall be~~ **IS**  
17 exempt from and ~~shall~~ **IS** not ~~be~~ required to pay taxes on property,  
18 both real and personal, belonging to the authority, ~~which~~ **THAT** is  
19 used exclusively for a public purpose **OR HELD PENDING DEVELOPMENT**  
20 **OF A PROJECT**. However, the exemption ~~shall~~ **DOES** not apply to  
21 property belonging to an authority while a private enterprise is a  
22 lessee of the property under a written lease. The bonds, notes, or  
23 other evidences of indebtedness, or their transfer, issued by an  
24 authority as authorized in this act, the interest thereon, the  
25 income derived, and the profit from a sale, ~~shall be~~ **IS** exempt from  
26 taxation, other than inheritance and estate taxes, within this  
27 state.

1           (2) This section constitutes a covenant and agreement with the  
2 holders of bonds, notes, or other evidences of indebtedness issued  
3 by an authority.

4           **(3) INSTRUMENTS OF CONVEYANCE TO OR FROM AN AUTHORITY ARE**  
5 **EXEMPT FROM ALL FEES AND TAXATION IN THIS STATE.**

6           Sec. 23. ~~(1) An authority created on or after May 1, 1984~~  
7 shall within 2 years after its creation prepare or cause to be  
8 prepared a plan for the future development, construction, and  
9 improvement of the port ~~and its facilities, including the maps,~~  
10 profiles, and other data and descriptions necessary to set forth  
11 the location and character of the work to be undertaken by the  
12 authority. ~~An authority in existence before May 1, 1984 shall~~  
13 ~~prepare or cause to be prepared the plan provided for in this~~  
14 ~~subsection not later than September 30, 1985. The authority shall~~  
15 ~~notify the legislature on April 15, 1985, as to the progress of the~~  
16 ~~plan. The authority shall cause notice by publication to be given~~  
17 upon the completion of the plan in a daily newspaper of general  
18 circulation in the area under the jurisdiction of the authority.  
19 The notice shall ~~fix~~ **SET** the time and place for hearing on the  
20 plan, which shall be not less than 30 nor more than 60 days after  
21 publication of the notice. Any interested person may file written  
22 comments to the plan, if those comments are filed with the  
23 secretary-treasurer of the authority not less than 5 days before  
24 the date ~~fixed~~ **SET** for the hearing. After the hearing, the  
25 authority may adopt the plan, with any modifications or amendments,  
26 as the official plan of the authority. The authority, after  
27 adoption of the plan, may modify, amend, or extend the plan after

1 notice and hearing in the manner prescribed in this subsection.

2 ~~—— (2) The plan and any modification, amendment, or extension,~~  
3 ~~when adopted by the authority after notice and hearing, shall be~~  
4 ~~conclusive except that plans for specific projects, to be~~  
5 ~~undertaken in execution of the official plan, shall not be adopted~~  
6 ~~by the authority without prior individual approval by the governing~~  
7 ~~bodies of its constituent units, the state transportation~~  
8 ~~department, and the department of commerce.~~

9       Sec. 24. (1) The authority shall submit in writing a detailed  
10 estimate of the budget required for the business and conduct of an  
11 authority's affairs, initially, for a 2-year period, and annually  
12 thereafter to the governing bodies of its constituent units, the  
13 department of ~~commerce~~, **LICENSING AND REGULATORY AFFAIRS**, and the  
14 **STATE TRANSPORTATION** department ~~of state highways and~~  
15 ~~transportation~~ for approval. The state shall provide 50% of the  
16 operating budget of the authority, to be included in the **STATE**  
17 **TRANSPORTATION** department ~~of state highways and transportation~~  
18 budget which shall be subject to legislative approval. Fifty  
19 percent of the operating budget of an authority in which not more  
20 than 1 county and not more than 1 city participate shall be funded  
21 equally by the participating county and city.

22       (2) A city or county creating or participating in an authority  
23 may appropriate for the use of the authority, and include in its  
24 levy for general fund purposes, an amount considered proper.  
25 However, the total amount permitted by law to be levied by a city  
26 or county for general fund purposes shall not be considered  
27 increased by this section.

1           (3) As used in this section, "operating budget" means solely  
2 operation and maintenance expenses of an authority not included in  
3 the cost of a specific project, and interest on notes, but excludes  
4 amounts for debt service on bonds and amounts for acquisition,  
5 construction, enlargement, improvement, or extension of port  
6 facilities.

7           SEC. 24A. (1) FOR THE PURPOSE OF MORE EFFECTIVELY MANAGING ITS  
8 DEBT SERVICE, AN AUTHORITY MAY ENTER INTO AN INTEREST RATE EXCHANGE  
9 OR SWAP, HEDGE, OR SIMILAR AGREEMENT OR AGREEMENTS IN CONNECTION  
10 WITH THE ISSUANCE OR PROPOSED ISSUANCE OF OBLIGATIONS OR OTHER  
11 EVIDENCES OF INDEBTEDNESS OR IN CONNECTION WITH ITS THEN  
12 OUTSTANDING OBLIGATIONS OR OTHER EVIDENCES OF INDEBTEDNESS.

13           (2) IN CONNECTION WITH ENTERING INTO AN INTEREST RATE EXCHANGE  
14 OR SWAP, HEDGE, OR SIMILAR AGREEMENT, THE AUTHORITY MAY CREATE A  
15 RESERVE FUND FOR THE PAYMENT THEREOF.

16           (3) AN AGREEMENT ENTERED INTO UNDER THIS SECTION SHALL COMPLY  
17 WITH ALL OF THE FOLLOWING:

18           (A) THE AGREEMENT IS NOT A DEBT OF THE AUTHORITY ENTERING INTO  
19 THE AGREEMENT FOR ANY STATUTORY OR CHARTER DEBT LIMITATION PURPOSE.

20           (B) THE AGREEMENT IS PAYABLE FROM GENERAL FUNDS OF THE  
21 AUTHORITY OR, SUBJECT TO ANY EXISTING CONTRACTS, FROM ANY AVAILABLE  
22 MONEY OR REVENUE SOURCES, INCLUDING REVENUES THAT SHALL BE  
23 SPECIFIED BY THE AGREEMENT, SECURING THE OBLIGATION OR EVIDENCE OF  
24 INDEBTEDNESS IN CONNECTION WITH THE AGREEMENT.

25           SEC. 24B. IN ADDITION TO OTHER POWERS UNDER THIS ACT, WITH THE  
26 APPROVAL OF THE STATE TREASURER, AN AUTHORITY MAY OBTAIN A LINE OF  
27 CREDIT TO SECURE FUNDS FOR OPERATIONS OR TO PAY PREVIOUS LOANS

1 OBTAINED FOR OPERATIONS UNDER THIS OR ANY OTHER STATUTE. THE  
2 AUTHORITY SHALL PLEDGE NOT MORE THAN 100% OF THE REVENUES COLLECTED  
3 IN THE PRECEDING FISCAL YEAR THAT ARE NOT OTHERWISE ENCUMBERED OR  
4 PREVIOUSLY PLEDGED FOR THE PAYMENT OF A SECURITY. TO OBTAIN  
5 APPROVAL FOR OBTAINING A LINE OF CREDIT UNDER THIS SECTION, AN  
6 AUTHORITY SHALL APPLY TO THE STATE TREASURER IN THE FORM AND MANNER  
7 PRESCRIBED BY THE STATE TREASURER, AND SHALL PROVIDE INFORMATION AS  
8 REQUESTED BY THE STATE TREASURER FOR EVALUATING THE APPLICATION.  
9 THE STATE TREASURER SHALL APPROVE OR DISAPPROVE AN APPLICATION AND  
10 NOTIFY THE AUTHORITY WITHIN 20 BUSINESS DAYS AFTER RECEIVING A  
11 PROPER APPLICATION. IF THE STATE TREASURER DISAPPROVES AN  
12 APPLICATION, THE STATE TREASURER SHALL INCLUDE THE REASONS FOR  
13 DISAPPROVAL IN THE NOTIFICATION TO THE AUTHORITY.

14 Enacting section 1. Section 16 of the Hertel-Law-T.  
15 Stopczynski port authority act, 1978 PA 639, MCL 120.116, is  
16 repealed.