

# SENATE BILL No. 1302

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

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 licensing and  
11 regulatory affairs.

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) "Person" means an individual, partnership, corporation,  
24 limited liability company, association, governmental entity, or  
25 other legal entity.

26          (j) "Port facilities" means real or personal property, or any  
27 combination of real or personal property, that is owned, leased, or

1 otherwise controlled or financed by a port authority and is related  
2 to, useful for, or in furtherance of, 1 or more authorized  
3 purposes.

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

7       (2) The authority shall exercise its prescribed statutory  
8 powers, duties, and functions independently of the director of the  
9 department. The budgeting, procurement, and related administrative  
10 functions of the authority shall be performed under the direction  
11 and supervision of the director of the department.

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

14       (4) The accounts of the authority may be subject to annual  
15 financial audits by the state auditor general. Records of the  
16 authority shall be maintained according to generally accepted  
17 accounting principles.

18       Sec. 4. (1) The authority created under this act shall be  
19 governed by the Michigan port authority board, which shall consist  
20 of 11 board members who are residents of this state. The members  
21 first appointed under subsection (2) shall be appointed as follows:

22       (a) For members appointed under subsection (2)(e) and (i), for  
23 a term of 1 year.

24       (b) For members appointed under subsection (2)(c), (f), (g),  
25 and (h), for a term of 2 years.

26       (c) For members appointed under subsection (2)(a), (b), and  
27 (d), for a term of 3 years.

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

2           (a) One member appointed by the governor with the advice and  
3 consent of the senate who shall serve without vote and shall be the  
4 chairperson of the board.

5           (b) One member appointed by the governor with the advice and  
6 consent of the senate who is a resident of a county with a  
7 population of not less than 1,100,000 and not more than 1,400,000  
8 according to the most recent federal decennial census and who is  
9 knowledgeable of port facilities.

10          (c) One member appointed by the governor with the advice and  
11 consent of the senate who is a resident of a county with a  
12 population of not less than 500,000 and not more than 700,000  
13 according to the most recent federal decennial census and who is  
14 knowledgeable of port facilities.

15          (d) One member appointed by the governor with the advice and  
16 consent of the senate who is a resident of a county with a  
17 population of not less than 145,000 and not more than 155,000  
18 according to the most recent federal decennial census and who is  
19 knowledgeable of port facilities.

20          (e) Two members appointed by the governor with the advice and  
21 consent of the senate who are residents of the Upper Peninsula of  
22 this state and who are knowledgeable of port facilities.

23          (f) One member appointed by the governor with the advice and  
24 consent of the senate who is a resident of a county with a  
25 population of not less than 105,000 and not more than 110,000  
26 according to the most recent federal decennial census and that is  
27 located on a Great Lake of this state, or a county that adjoins a

1 county described in this subdivision and who is knowledgeable of  
2 port facilities.

3 (g) One member appointed by the governor with the advice and  
4 consent of the senate who is a resident of a county with a  
5 population of not less than 170,000 and not more than 180,000  
6 according to the most recent federal decennial census and that is  
7 located on a Great Lake of this state, or a county that adjoins a  
8 county described in this subdivision and who is knowledgeable of  
9 port facilities.

10 (h) One member appointed by the governor with the advice and  
11 consent of the senate who is a resident of a county with a  
12 population of not less than 161,000 and not more than 170,000  
13 according to the most recent federal decennial census and that is  
14 located on a Great Lake of this state and who is knowledgeable of  
15 port facilities.

16 (i) Two other members appointed by the governor with the  
17 advice and consent of the senate who are not employed by this state  
18 and who have knowledge, skill, and experience in economic  
19 development. Of the members appointed by the governor under this  
20 subsection, 1 shall be appointed from 2 or more nominees of the  
21 majority leader of the senate and 1 shall be appointed from 2 or  
22 more nominees of the speaker of the house of representatives.

23 (3) Upon appointment to the board under subsection (2) and  
24 upon the taking and filing of the constitutional oath of office  
25 prescribed in section 1 of article XI of the state constitution of  
26 1963, a member of the board shall enter the office and exercise the  
27 duties of the office.

1           (4) After the first appointment, each member shall serve a  
2 term of 3 years, except that a person appointed to fill a vacancy  
3 shall be appointed for the balance of the unexpired term. The  
4 governor shall fill a vacancy in the office by appointment in the  
5 same manner as an appointment under subsection (2). A member of the  
6 board shall hold office until a successor has been appointed and  
7 qualified. A member of the board is eligible for reappointment.

8           (5) A member of a board shall discharge the duties of the  
9 position in a nonpartisan manner, in good faith, in the best  
10 interests of this state, and with the degree of diligence, care,  
11 and skill that an ordinarily prudent person would exercise under  
12 similar circumstances in a like position. A member of the board  
13 shall not make or participate in making a decision, or in any way  
14 attempt to use his or her position as a member of the board to  
15 influence a decision, on a matter before an authority in which the  
16 member is directly or indirectly interested. A member of a board  
17 shall not be interested directly or indirectly in any contract with  
18 an authority or the department that would cause a substantial  
19 conflict of interest. A member of a board shall comply, and a board  
20 shall adopt policies and procedures that require members to comply,  
21 with the requirements of this subsection and all of the following:

22           (a) 1978 PA 472, MCL 4.411 to 4.431, as if the board member  
23 were subject to that act and that board member's receipt of a gift  
24 or compensation would be in violation of that act if given by a  
25 lobbyist, a lobbyist agent, or a representative of a lobbyist under  
26 that act.

27           (b) 1978 PA 566, MCL 15.181 to 15.185.

1 (c) 1968 PA 318, MCL 15.301 to 15.310, as if he or she were a  
2 state officer.

3 (d) 1968 PA 317, MCL 15.321 to 15.330, as if he or she were a  
4 public servant.

5 (e) 1973 PA 196, MCL 15.341 to 15.348, as if he or she were a  
6 public officer.

7 (6) The board shall elect a vice-chairperson, secretary, and  
8 any additional officers of the board considered necessary by the  
9 board from among its members. All elected officers of the board  
10 shall be elected annually by the board. Members of the board shall  
11 serve without compensation, but shall be reimbursed for actual and  
12 necessary expenses.

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

17 (2) The board shall organize and adopt its own policies,  
18 procedures, schedule of regular meetings, and a regular meeting  
19 date, place, and time. The board shall conduct all business at  
20 public meetings held in compliance with the open meetings act, 1976  
21 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and  
22 place of each meeting shall be given in the manner required by the  
23 open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

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

1           (4) A board may act only by resolution. A majority of the  
2 members of the board then in office, or of any committee of the  
3 board, shall constitute a quorum for the transaction of business.  
4 The board shall meet in person or by means of electronic  
5 communication devices that enable all participants in the meeting  
6 to communicate with each other. A vote of a majority of the members  
7 of the board serving at the time of the vote is necessary to  
8 approve the issuance by the authority of bonds, to approve or amend  
9 the annual budget of the authority. Except as otherwise provided in  
10 this act, a vote of the majority of the board members present at a  
11 meeting at which a quorum is present constitutes the action of the  
12 board or of the committee.

13           (5) Before the beginning of each fiscal year, the board shall  
14 prepare a budget containing an itemized statement of the estimated  
15 current operational expenses for the operation of the authority and  
16 development of port facilities in this state, the amount necessary  
17 to pay the principal and interest of any outstanding bonds or other  
18 obligations of the authority maturing during the ensuing fiscal  
19 year or that have previously matured and are unpaid, an estimate of  
20 the revenue of the authority from all sources for the ensuing  
21 fiscal year, and other amounts necessary to further the purposes of  
22 this act. The authority's budget shall be funded by proceeds  
23 derived from gifts, grants, loans, and other aids from any person  
24 or the federal government, this state, or a local government or any  
25 agency of the federal government, this state, or a local  
26 government. Before the beginning of each fiscal year, the board  
27 shall send a copy of the budget described in this subsection to the



1 chairperson of the senate appropriations committee, the chairperson  
2 of the house appropriations committee, the director of the senate  
3 fiscal agency, and the director of the house fiscal agency.

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

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

10       (a) The performance of the functions of the authority under  
11 this act.

12       (b) A regular report describing the activities and financial  
13 condition of the authority.

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

15       (d) All other activities or functions that the board considers  
16 necessary.

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

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

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

27       (b) Adopt an official seal and alter the seal at the pleasure

1 of the board.

2 (c) Sue and be sued in its own name and plead and be  
3 impleaded.

4 (d) Solicit and accept gifts, grants, loans, and other  
5 assistance from any person or the federal, the state, or a local  
6 government or any agency of the federal, the state, or a local  
7 government or participate in any other way in any federal, state,  
8 or local government program.

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

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

13 (g) Finance, direct, or otherwise aid in the securing of port  
14 facilities and surrounding areas in this state.

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

18 (i) Construct; acquire by gift, purchase, installment  
19 purchase, or lease; and reconstruct, improve, repair, or equip a  
20 port facility or any part of a port facility, including related  
21 infrastructure.

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

26 (k) Acquire or contract to acquire from a person, a  
27 municipality, the federal or state government, or an agency of the

1 federal or state government, leaseholds, real or personal property,  
2 or any interest in real or personal property and own, hold, clear,  
3 improve, and rehabilitate and sell, assign, exchange, transfer,  
4 convey, lease, mortgage, or otherwise dispose of or encumber  
5 leaseholds, real or personal property, or any interest in real or  
6 personal property, as is convenient for the accomplishment of the  
7 purposes of this act and of the authority.

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

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

13 (n) Contract for goods and services and engage personnel as  
14 necessary and engage the services of private consultants, managers,  
15 legal counsel, engineers, accountants, and auditors for rendering  
16 professional financial assistance and advice payable out of any  
17 money of the authority.

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

21 (p) Indemnify and procure insurance indemnifying any members  
22 of the board or employees of the board from personal loss or  
23 accountability from liability asserted by a person on the bonds or  
24 notes of the authority or from any personal liability or  
25 accountability by reason of the issuance of the bonds, notes,  
26 insurance, or guarantees; by reason of acquisition, construction,  
27 ownership, or operation of a project; or by reason of any other

1 action taken or the failure to act by the authority.

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

6 (r) Convey or release a port facility or any part of a port  
7 facility to a lessee, purchaser, or borrower under any agreement  
8 after provision has been made for the retirement in full of the  
9 bonds or notes issued for that port facility under terms and  
10 conditions provided in the agreement or as may be agreed with the  
11 holders of the bonds or notes, at any time where the obligation of  
12 the lessee, purchaser, or borrower to make the payments prescribed  
13 shall remain fixed as provided in the agreement notwithstanding the  
14 conveyance or release, or as may otherwise be agreed with the  
15 holders of the bonds or notes.

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

19 (t) Share bond issuance fees with other authorities as  
20 determined by the board.

21 (u) Do all other things necessary to promote and develop port  
22 facilities in this state.

23 Sec. 8. (1) The authority may acquire real or personal  
24 property or rights or interests in real or personal property by  
25 gift, devise, transfer, exchange, foreclosure, purchase, or  
26 otherwise on terms and conditions and in a manner the authority  
27 considers proper. The authority may own, lease, convey, demolish,

1 relocate, or rehabilitate real or personal property or rights or  
2 interests in real or personal property, consistent with the  
3 purposes of this act.

4 (2) Real property acquired by the authority by purchase may be  
5 obtained by any method considered desirable by the authority. The  
6 authority may purchase real property or rights or interests in real  
7 property for any purpose the authority considers necessary to carry  
8 out the purposes of this act.

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

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

1 interest on the bond or note.

2 (2) All expenses incurred in carrying out this section shall  
3 be payable solely from revenues or funds provided or to be provided  
4 under this act. This act does not authorize the authority to incur  
5 any indebtedness or liability on behalf of or payable by this  
6 state.

7 (3) Bonds and notes issued under this act are not subject to  
8 the revised municipal finance act, 2001 PA 34, MCL 141.2101 to  
9 141.2821.

10 (4) The issuance of bonds and notes under this section is  
11 subject to the agency financing reporting act, 2002 PA 470, MCL  
12 129.171 to 129.177.

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

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

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

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

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

1           (2) The bonds or notes of the authority shall not be a general  
2 obligation of the authority but shall be payable solely from the  
3 revenues or funds, or both, pledged to the payment of the principal  
4 of and interest on the bonds or notes as provided in the resolution  
5 authorizing the bonds or notes.

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

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

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

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

11           (d) Shall be serial bonds, term bonds, or term and serial  
12 bonds.

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

15           (f) May provide for sinking fund payments.

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

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

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

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

23           (k) May contain a conversion feature.

24           (l) May be transferable.

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

1       Sec. 12. (1) The authority may authorize and approve an  
2 insurance contract, an agreement for a line of credit, a letter of  
3 credit, a commitment to purchase notes or bonds, an agreement to  
4 remarket bonds or notes, or any other transaction to provide  
5 security to assure timely payment of a bond or note.

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

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

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

18       (b) Refund notes or bonds by the delivery of new notes or  
19 bonds whether or not the notes or bonds to be refunded have matured  
20 or are subject to redemption.

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

23       (d) Buy notes or bonds that are issued and resell those notes  
24 or bonds.

25       (e) Approve interest rates or methods for fixing interest  
26 rates, prices, discounts, maturities, principal amounts,  
27 denominations, dates of issuance, interest payment dates,



1 redemption rights, at the option of the authority or the holder,  
2 the place of delivery and payment, and other matters and procedures  
3 necessary to complete the transactions authorized.

4 (f) Direct the investment of any and all funds of the  
5 authority.

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

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

14 (i) Perform any power, duty, function, or responsibility of  
15 the authority.

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

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

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

27 (c) The establishment and setting aside of reserves or sinking

1 funds and the regulation and disposition of reserves or sinking  
2 funds subject to this act.

3 (d) Authorization for and limitations on the issuance of  
4 additional bonds or notes for the purposes provided for in the  
5 resolution and the terms upon which additional notes or bonds may  
6 be issued and secured.

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

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

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

24 (h) Provide the trustee, the noteholders, or the bondholders  
25 remedies that may be exercised if the authority fails or refuses to  
26 comply with this act or defaults in an agreement made with the  
27 holders of an issue of bonds or notes, which may include, but are

1 not limited to, the following:

2 (i) By mandamus or other action or proceeding at law or in  
3 equity, to enforce the rights of the bondholders or noteholders and  
4 require the authority to carry out any other agreement with the  
5 holders of those notes or bonds and to perform the duties of the  
6 authority under this act.

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

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

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

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

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

19 Sec. 15. A pledge made by the authority shall be valid and  
20 binding from the time the pledge is made. The money or property  
21 pledged and then received by the authority immediately is subject  
22 to the lien of the pledge without physical delivery or further act.  
23 The lien of a pledge is valid and binding as against parties having  
24 claims of any kind in tort, contract, or otherwise against the  
25 authority and is valid and binding as against the transfers of  
26 money or property pledged, irrespective of whether parties have  
27 notice. The resolution, the trust agreement, or any other

1 instrument by which a pledge is created is not required to be  
2 recorded in order to establish and perfect a lien or security  
3 interest in the property pledged.

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

9       Sec. 17. The authority may hold, cancel, or resell authority  
10 bonds or notes subject to or in accordance with an agreement with  
11 holders of authority bonds or notes.

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

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

1 an insurance company, insurance association, or other person  
2 carrying on an insurance business; or an executor, administrator,  
3 guardian, trustee, or other fiduciary may legally invest funds  
4 belonging to them or within their control in bonds or notes issued  
5 under this act, and authority bonds or notes shall be authorized  
6 security for public deposits.

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

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

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

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

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

27       Sec. 22. There is appropriated from the general fund for

1 initial implementation costs for this act the sum of \$100,000.00.