

# SENATE BILL No. 468

May 7, 2003, Introduced by Senators GILBERT, STAMAS and ALLEN and referred to the Committee on Transportation.

A bill to amend 1952 PA 214, entitled

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

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

by amending section 7 (MCL 254.317).

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

1       Sec. 7. (1) ~~The~~ **Except as otherwise provided in this**  
 2 **section, the** authority shall ~~properly~~ construct, maintain,  
 3 operate, repair, manage, and control the bridge ~~—, except as~~  
 4 ~~hereinafter provided,~~ and shall determine the rates of tolls and  
 5 charges ~~to be~~ made for the services and facilities ~~—afforded~~  
 6 ~~thereby and~~ **provided. The authority** may make and enter into all  
 7 contracts or agreements ~~—deemed~~ **considered** necessary or  
 8 desirable to the performance of its duties and the execution of  
 9 its powers under this act including, but not limited to, power to  
 10 permit use of the bridge by public carriers and for telephone,  
 11 telegraph, and other utility lines and to contract for such use  
 12 and determine the terms and conditions ~~—thereof~~ **of the contract,**  
 13 and the rates to be charged ~~—therefor~~ **under the contract.** The  
 14 authority may ~~in its discretion~~ construct as a part of the  
 15 bridge telephone, telegraph, or other utility lines and  
 16 mechanical equipment not inconsistent with the appropriate use of  
 17 the bridge and may lease the right to use the ~~—same on such terms~~  
 18 ~~and for such considerations as it shall determine~~ **lines on**  
 19 **whatever terms it determines.** Tolls, fees, rents, and charges  
 20 shall be fixed, imposed, and collected for the use of the bridge,  
 21 ~~and~~ its services, and **its** facilities ~~—so as~~ **in order** to make  
 22 the revenues ~~to be~~ derived from the operation of the bridge  
 23 fully sufficient, until ~~—such time as~~ the principal of and

1 interest on the bonds ~~herein~~ authorized **in this act** are paid in  
2 full (a) pay all expenses of operating, repairing, and  
3 maintaining the bridge, except to the extent that ~~such~~ **the**  
4 expenses may be in whole or in part ~~earned~~ **paid** for by the state  
5 ~~highway department as hereinafter provided~~ **transportation**  
6 **department**, (b) make possible the prompt payment of principal of  
7 and interest on all bonds ~~herein authorized~~ and the making of  
8 all payments required to be made for such purpose and for the  
9 creation of a reserve ~~therefor~~ **for the bonds** and a reserve for  
10 contingencies as may be provided in the resolution authorizing or  
11 the trust indenture securing the bonds. ~~Such~~ **The** tolls, fees,  
12 rents, rates, or other charges shall not be subject to  
13 supervision or regulation by any bureau, board, commission, or  
14 agency. ~~When the cost of the bridge, including all principal of~~  
15 ~~and interest on the bonds issued hereunder and all advances made~~  
16 ~~therefor, shall have been fully paid from such tolls, fees,~~  
17 ~~rents, rates and charges, the collection therefor for the use of~~  
18 ~~such bridge shall cease and the bridge shall be maintained and~~  
19 ~~operated by the state as a free bridge.~~

20 (2) ~~In the event that~~ **If** the bonds ~~herein authorized~~ are  
21 sold ~~prior to~~ **before** December 31, 1953, there shall be  
22 appropriated from the funds of the state highway department  
23 derived from taxes imposed upon gasoline or other motor fuels and  
24 on motor vehicles registered in the state to the Mackinac bridge  
25 authority amounts sufficient to pay all expenses of operating,  
26 repairing, and maintaining the bridge in each fiscal year  
27 beginning with the fiscal year in which the bridge shall be

1 opened for traffic, and until the cost of bridge, including all  
 2 principal of and interest on the bonds issued ~~hereunder~~ **under**  
 3 **this act** and all advances made ~~therefor shall have been~~ **are**  
 4 fully paid. ~~Provided, however, That the~~ **The** amount ~~so~~  
 5 appropriated to the authority **under this subsection** shall not  
 6 exceed in the aggregate \$417,000.00 in any ~~one~~ **1** fiscal year.  
 7 The amounts ~~so~~ paid shall be based upon requisitions of the  
 8 authority subject to ~~the~~ audits ~~hereinbefore~~ described in  
 9 this act. ~~Inasmuch as the bridge will be an essential part of~~  
 10 ~~the public highway system of the state and the operation,~~ **The**  
 11 repair and maintenance of the bridge ~~will be the performance of~~  
 12 **shall be** an essential governmental function of the state, **and** the  
 13 provisions of this paragraph shall have the force of contract  
 14 with the holders of the bonds issued for the bridge, subject only  
 15 to ~~prior pledges of said funds heretofore made:~~ ~~Provided, That~~  
 16 ~~the state of Michigan shall not be~~ **pledges of funds previously**  
 17 **made. This state is not** liable for any bonds or other  
 18 obligations issued under ~~the provisions of~~ this act, and the  
 19 **full** faith and credit of the state ~~shall not be~~ **is not** pledged  
 20 in carrying out any ~~such~~ obligations under this act.

21 (3) It may be provided in the resolution authorizing or the  
 22 trust indenture securing the bonds that the authority may not  
 23 sell, encumber, lease, or otherwise dispose of the bridge or any  
 24 substantial part ~~thereof~~ **of the bridge** while the bonds are  
 25 outstanding, except under such provisions as may be ~~therein~~  
 26 provided **under this act**.

27 (4) ~~At such time as~~ **When** the cost of the bridge, including

1 all principal of and interest on the bonds issued ~~hereunder~~  
2 **under this act** and all advances made ~~therefor,~~ shall have been  
3 fully paid from ~~such~~ **the** tolls, fees, rents, rates, and  
4 charges, ~~said~~ **the** bridge shall ~~thereafter~~ be maintained and  
5 operated by the state ~~highway commissioner, who is hereby~~  
6 **authority, which is** authorized to continue to charge ~~such~~ **the**  
7 tolls, fees, rates, and charges for the use of ~~said~~ **the** bridge  
8 as are ~~deemed~~ necessary ~~by him to reimburse the state highway~~  
9 ~~department for all sums theretofore paid by said department~~  
10 ~~pursuant to the provisions of this act~~ for operation and  
11 maintenance of the bridge. ~~Provided, however, That at such~~  
12 ~~time as said reimbursement has been made, said bridge shall~~  
13 ~~thereafter be maintained and operated by the state highway~~  
14 ~~commissioner as a free bridge.~~ **Beginning the fiscal year that**  
15 **begins October 1, 2003 and continuing through the fiscal year**  
16 **that begins October 1, 2007, the amounts charged for tolls, fees,**  
17 **rents, and charges levied by the authority under this act shall**  
18 **not exceed the amounts charged for tolls, fees, rents, and**  
19 **charges levied by the authority in the fiscal year ending**  
20 **September 30, 2002.**

21 (5) As of March 1, 2003, all advances made by this state to  
22 the Mackinac bridge authority pursuant to sections 161 and 163 of  
23 the motor fuel tax act, 2000 PA 403, MCL 207.1161 and 207.1163,  
24 have been repaid or forgiven.