

# HOUSE BILL No. 5651

May 12, 2016, Introduced by Reps. Hughes, Byrd, Sheppard, Hovey-Wright and LaVoy and referred to the Committee on Local Government.

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, 16, 21, 24, 25, and 26 (MCL 120.102, 120.104, 120.105, 120.108, 120.109, 120.110, 120.112, 120.113, 120.114, 120.116, 120.121, 120.124, 120.125, and 120.126), section 5 as amended by 2001 PA 244 and section 14 as amended by 2002 PA 412, and by adding section 24a; and to repeal acts and parts of acts.

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

- 1       Sec. 2. As used in this act:
- 2           (a) "Authority" means a port authority created under this act
- 3           and may also include the area within the jurisdiction of an
- 4           authority.
- 5           (b) "Constituent unit" means a city or county requesting the

1 incorporation of an authority.

2 (c) "Governing body of the city" means the city council or  
3 city commission of a city requesting incorporation of an authority  
4 created under this act.

5 (d) "Governing body of the county" means the county board of  
6 commissioners of a county participating in an authority created  
7 under this act.

8 (e) "Port facilities" means those facilities ~~owned by the port~~  
9 ~~authority such as:~~ **THAT INCLUDE, BUT ARE NOT LIMITED TO:** seawall  
10 jetties; piers; wharves; docks; boat landings; marinas; warehouses;  
11 storehouses; elevators; grain bins; cold storage plants; terminal  
12 icing plants; bunkers; oil tanks; ferries; canals; locks; bridges;  
13 tunnels; seaways; conveyors; modern appliances for the economical  
14 handling, storage, and transportation of freight and handling of  
15 passenger traffic; transfer and terminal facilities required for  
16 the efficient operation and development of ports and harbors; other  
17 harbor improvements; or improvements, enlargements, remodeling, or  
18 extensions of any of these buildings or structures; **AND OTHER REAL**  
19 **OR PERSONAL PROPERTY NECESSARY TO ENHANCE COMMERCIAL OR**  
20 **RECREATIONAL MARITIME ACTIVITIES.**

21 (f) "Project" means the acquisition, purchase, construction,  
22 reconstruction, rehabilitation, remodeling, improvement,  
23 enlargement, repair, condemnation, maintenance, or operation of  
24 port facilities, **PUBLIC INFRASTRUCTURE, AND OTHER REAL AND PERSONAL**  
25 **PROPERTY NECESSARY TO ACHIEVE THE PURPOSE OF THIS ACT.**

26 Sec. 4. (1) A city and county, a combination of counties or a  
27 combination consisting of at least 1 city and 1 county, by joint

1 resolution of their respective governing bodies, may request the  
 2 governor to authorize the incorporation of an authority. **SUBJECT TO**  
 3 **SECTION 8(4), BEGINNING JANUARY 1, 2016, A CITY OR COUNTY, BY A**  
 4 **RESOLUTION OF THE GOVERNING BODY OF THE CITY OR THE GOVERNING BODY**  
 5 **OF THE COUNTY, MAY REQUEST THE GOVERNOR TO AUTHORIZE THE**  
 6 **INCORPORATION OF AN AUTHORITY.** The governor shall consider the  
 7 recommendations of the **STATE TRANSPORTATION** department ~~of state~~  
 8 ~~highways and transportation and the department of commerce in~~  
 9 authorizing the authority. The initial articles of incorporation  
 10 shall be approved by the governor and may thereafter be amended by  
 11 resolution of the authority, subject to approval by the governor.  
 12 After approval by the governor, the articles of incorporation and  
 13 any amendments to those articles shall be effective upon filing  
 14 with the secretary of state.

15 (2) An authority created under this act shall be a body  
 16 corporate and politic.

17 (3) The exercise by an authority of the powers conferred by  
 18 this act shall be considered and held to be an essential  
 19 governmental function and a benefit to, and a legitimate public  
 20 purpose of the state, the authority, and the constituent units.

21 Sec. 5. (1) Except as provided in subsection (5) **OR (7)**, an  
 22 authority shall consist of 5 or 7 members as follows:

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

24 (b) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN THE SUBDIVISION, THE**  
 25 remaining members shall be appointed by the governing body of each  
 26 city and the governing body of each county that requested the  
 27 incorporation of the authority. The representation on, and the

1 number of members of, the authority shall be determined by  
2 agreement among the incorporating units and included within the  
3 joint resolution requesting incorporation of the authority.

4 **HOWEVER, BEGINNING JANUARY 1, 2016, IF A CITY OR A COUNTY IS A**  
5 **SINGLE CONSTITUENT UNIT REQUESTING THE INCORPORATION OF AN**  
6 **AUTHORITY, THEN MEMBERS OF THE AUTHORITY SHALL BE APPROVED BY THE**  
7 **GOVERNING BODY OF THE CITY OR THE GOVERNING BODY OF THE COUNTY AS**  
8 **PROVIDED IN THE RESOLUTION REQUESTING INCORPORATION OF THE**  
9 **AUTHORITY.**

10 (2) The members first appointed shall serve staggered terms.  
11 After the first appointment, each member shall serve a term of 4  
12 years, except that a person appointed to fill a vacancy shall be  
13 appointed for the balance of the unexpired term. A member shall be  
14 eligible for reappointment.

15 (3) The members shall elect 1 of their membership as  
16 chairperson and another as vice-chairperson, shall designate the  
17 terms of office of those officers, and shall appoint a secretary-  
18 treasurer who need not be a member. A majority of the members of  
19 the authority shall constitute a quorum. The affirmative vote of a  
20 majority of the members shall be necessary for any action taken by  
21 the authority.

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

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

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

2 (b) Two members shall be appointed by a majority of all the  
3 members of the county board of commissioners of the county. The  
4 members appointed shall be nominated by the commissioners on the  
5 board who do not reside within the political boundaries of a city  
6 having a population of 750,000 or more.

7 (c) Two members shall be appointed by the mayor of a city  
8 having a population of 750,000 or more that is located in the  
9 county.

10 (6) To the extent not protected by the immunity conferred by  
11 1964 PA 170, MCL 691.1401 to 691.1415, a member of the authority  
12 appointed under this section who exercises the powers contained in  
13 this act in good faith is immune from civil or administrative  
14 liability arising from that conduct, unless the conduct was gross  
15 negligence or willful and wanton misconduct.

16 (7) AN AUTHORITY THAT IS ESTABLISHED IN A COUNTY HAVING A  
17 POPULATION OF 165,000 OR MORE BUT LESS THAN 195,000 ACCORDING TO  
18 THE MOST RECENT DECENNIAL CENSUS SHALL CONSIST OF 9 MEMBERS AS  
19 FOLLOWS:

20 (A) ONE MEMBER SHALL BE APPOINTED BY THE GOVERNOR.

21 (B) ONE MEMBER SHALL BE APPOINTED BY A MAJORITY OF ALL OF THE  
22 MEMBERS OF THE COUNTY BOARD OF COMMISSIONERS OF THE COUNTY.

23 (C) ONE MEMBER SHALL BE APPOINTED BY THE GOVERNING BODY OF THE  
24 CITY THAT HAS THE GREATEST NUMBER OF PORT FACILITIES IN THE COUNTY.

25 (D) THREE MEMBERS SHALL BE APPOINTED BY A MAJORITY OF ALL OF  
26 THE MEMBERS OF THE COUNTY BOARD OF COMMISSIONERS OF THE COUNTY,  
27 FROM INDIVIDUALS WHO OWN AND OPERATE PORT FACILITIES IN THAT COUNTY

1 THAT WILL BE IMPACTED BY THE AUTHORITY. TWO OF THE 3 MEMBERS  
2 APPOINTED UNDER THIS SUBDIVISION SHALL BE INDIVIDUALS WHO OWN AND  
3 OPERATE PORT FACILITIES IN THAT COUNTY THAT HAVE 35 OR MORE TOTAL  
4 ACRES OF REAL PROPERTY THAT ARE PORT FACILITIES OR WHO SHIP IN  
5 EXCESS OF 300,000 TONS OF SHIPPING THROUGH THEIR PORT FACILITIES  
6 EACH YEAR.

7 (E) THREE MEMBERS SHALL BE APPOINTED BY THE GOVERNING BODY OF  
8 THE CITY THAT HAS THE GREATEST NUMBER OF PORT FACILITIES IN THE  
9 COUNTY, FROM INDIVIDUALS WHO OWN AND OPERATE PORT FACILITIES IN THE  
10 CITY THAT WILL BE IMPACTED BY THE AUTHORITY. TWO OF THE 3 MEMBERS  
11 APPOINTED UNDER THIS SUBDIVISION SHALL BE INDIVIDUALS WHO OWN AND  
12 OPERATE PORT FACILITIES IN THAT CITY THAT HAVE 35 OR MORE TOTAL  
13 ACRES OF REAL PROPERTY THAT ARE PORT FACILITIES OR WHO SHIP IN  
14 EXCESS OF 300,000 TONS OF SHIPPING THROUGH THEIR PORT FACILITIES  
15 EACH YEAR.

16 (8) MEMBERS DESCRIBED IN SUBSECTION (7) (D) AND (E) SHALL NOT  
17 BE THE OWNER OR OPERATOR OF THE SAME PORT FACILITY IN THE COUNTY.

18 Sec. 8. (1) An authority may:

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

21 (b) Sue and be sued on the same basis as the state; and adopt  
22 and register with the secretary of state an official seal and alter  
23 that seal at its pleasure.

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

26 (d) Acquire, construct, reconstruct, rehabilitate, improve,  
27 maintain, lease as lessor or as lessee, repair, or operate port

1 facilities **AND OTHER PROPERTY IT MAY ACQUIRE OR HOLD** within its  
2 territorial jurisdiction, including, **BUT NOT LIMITED TO**, the  
3 dredging of ship channels and turning basins and the filling and  
4 grading of land therefor. An authority may operate a leased  
5 facility, owned by the authority, if the lessee defaults and a new  
6 lease is negotiated or competitively bid.

7 (e) Designate the location and character of the port  
8 facilities which the authority may hold or own or over which it is  
9 authorized to act and regulate all matters related to the location  
10 and character of those port facilities.

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

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

21 (h) Promulgate all necessary rules to fulfill the purposes of  
22 this act.

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

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

1 (K) ENTER INTO PUBLIC-PRIVATE PARTNERSHIPS WITH OTHER OWNERS  
2 OF PROPERTY OR PORT FACILITIES WITHIN THE JURISDICTION OF THE  
3 AUTHORITY.

4 (2) NOTHING IN THIS ACT SHALL LIMIT THE PROPERTY RIGHTS OF ANY  
5 PERSON THAT OWNS PROPERTY OR PORT FACILITIES WITHIN THE  
6 JURISDICTION OF THE AUTHORITY.

7 (3) THE POWERS GRANTED UNDER THIS ACT ARE IN ADDITION TO THOSE  
8 POWERS GRANTED BY CHARTER OR OTHER STATUE.

9 (4) FOR AN AUTHORITY WHOSE MEMBERS ARE APPOINTED UNDER SECTION  
10 5(7), THE ARTICLES OF INCORPORATION SHALL PROVIDE ONLY FOR THE  
11 INITIAL CREATION OF AN AUTHORITY. ALL OTHER GOVERNING ACTIONS,  
12 POWERS, AND DUTIES OF THE AUTHORITY SHALL BE PROVIDED IN THE BYLAWS  
13 AS DETERMINED BY THE MEMBERS OF THE AUTHORITY.

14 (5) FOR AN AUTHORITY WHOSE MEMBERS ARE APPOINTED UNDER SECTION  
15 5(7), THE BYLAWS OF THAT AUTHORITY MAY PROVIDE THAT, FOR CERTAIN  
16 ACTIONS OF THE AUTHORITY, ALL MEMBERS OF THE AUTHORITY DESCRIBED IN  
17 SECTION 5(7)(D) AND (E) MUST CONCUR IN THAT ACTION FOR THE  
18 AUTHORITY TO ACT. IN ADDITION, FOR THE APPROVAL OF THE INITIAL  
19 BYLAWS OF AN AUTHORITY WHOSE MEMBERS ARE APPOINTED UNDER SECTION  
20 5(7), ALL MEMBERS OF THE AUTHORITY DESCRIBED IN SECTION 5(7)(D) AND  
21 (E) MUST CONCUR FOR THE INITIAL BYLAWS TO TAKE EFFECT.

22 Sec. 9. An authority may:

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

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

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

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

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

1 professional and technical assistance and advice as may be  
2 necessary, and whose compensation, including the executive  
3 director, shall be determined by the authority.

4 Sec. 10. An authority may:

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

26 (b) Make and enter into contracts and agreements necessary or  
27 incidental to the performance of its duties and the execution of

1 its powers under this act.

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

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

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

18 (2) ~~An~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION AND IN**  
19 **SUBSECTION (4), AN** authority may, **SUBJECT TO THE UNIFORM**  
20 **CONDEMNATION PROCEDURES ACT, 1980 PA 87, MCL 213.51 TO 213.75,**  
21 acquire by condemnation lands, property rights, rights of way,  
22 franchises, easements, and other property, or parts ~~thereof~~ **OF**  
23 **PROPERTY** or rights ~~therein~~, **OF PROPERTY,** of a person, partnership,  
24 association, or corporation considered by the authority to be  
25 necessary for the construction or efficient operation of a project.  
26 However, a facility currently operated as a port facility by a  
27 terminal operator or a facility owned or operated by and for the

1 exclusive use of the owner or operator and a facility owned or  
2 operated by a common carrier or public utility shall be exempt from  
3 this subsection. ~~The condemnation shall be made in the manner~~  
4 ~~provided by Act No. 295 of the Public Acts of 1966, as amended,~~  
5 ~~being sections 213.361 to 213.391 of the Michigan Compiled Laws,~~  
6 ~~except where that procedure may be inconsistent with this act.~~

7 (3) An authority may sell or remove the buildings or other  
8 structures upon lands taken by the authority, and may sell or lease  
9 lands or rights or interest in lands or other property taken or  
10 purchased for the purposes of this act.

11 (4) **A PORT AUTHORITY ESTABLISHED ON OR AFTER JANUARY 1, 2016**  
12 **SHALL NOT CONDEMN PROPERTY UNDER THIS ACT.**

13 Sec. 13. (1) An authority and 1 or more constituent units may  
14 enter into a contract or contracts for the acquisition,  
15 improvement, enlargement, or extension of port facilities and for  
16 the payment of the cost ~~thereof~~ **OF THOSE IMPROVEMENTS** by the  
17 contracting constituent units, with interest, over a period of not  
18 more than 40 years.

19 (2) Each contracting constituent unit shall pledge its full  
20 faith and credit for the payment of its obligations under the  
21 contract. If the constituent unit has taxing power, each year it  
22 ~~shall~~ **MAY** levy a tax upon all real and personal property within the  
23 constituent unit, which may be imposed without limitation as to  
24 rate or amount, to the extent necessary for the prompt payment of  
25 that part of the contract obligations as shall fall due before the  
26 following year's tax collection. The tax ~~shall~~ **MAY** be in addition  
27 to any tax which the contracting constituent unit may otherwise be

1 authorized to levy and may be imposed without limitation as to rate  
2 or amount, but shall not be in excess of the rate or amount  
3 necessary to pay the contract obligation. If any contracting  
4 constituent unit at the time of its annual tax levy has on hand in  
5 cash any amount pledged to the payment of the current obligations  
6 for which the tax levy is to be made, then the annual tax levy may  
7 be reduced by that amount. For the purpose of obtaining the credit,  
8 funds may be raised by a contracting constituent unit in 1 or more  
9 of the following methods:

10 (a) By service charge to users of the facilities owned by the  
11 port authority.

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

14 (c) By special assessment upon lands benefited.

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

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

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

1 making and collection of the special assessments on the roll, shall  
2 be in accordance with the provisions of the statute or charter  
3 governing special assessments in the constituent unit, except that  
4 the total assessment may be divided into any number of installments  
5 not exceeding 30, and any person assessed shall have the right at  
6 the hearing upon the special assessment roll to object to the  
7 special assessment 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,~~ **PROJECTS,**  
11 or for paying the cost of an extension, enlargement, or improvement  
12 of a project then under the control of the authority. The bonds  
13 issued under this section shall mature at a time or times, not  
14 exceeding 40 years after their date of issuance, as the authority  
15 may provide.

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

18       (3) Revenue bonds issued pursuant to this section shall not be  
19 considered to constitute a debt of this state, a political  
20 subdivision of this state, the authority, or any constituent unit,  
21 or a pledge of the faith and credit of this state or a political  
22 subdivision of this state or of the authority or any constituent  
23 unit, but shall be payable solely from the revenues or income to be  
24 derived from the projects. The revenue bonds shall contain on their  
25 face a statement to the effect that the bonds and attached coupons  
26 are payable solely from revenues and are not a general obligation  
27 of this state, a political subdivision of this state, the

1 authority, or a constituent unit, and neither the faith and credit  
2 nor the taxing power of this state, a political subdivision of this  
3 state, the authority, or a constituent unit, is pledged to the  
4 payment of the principal of or the interest on the bonds.

5       Sec. 16. Revenue bonds issued pursuant to this act shall be  
6 secured by a trust agreement by and between the authority and a  
7 corporate trustee, which may be any trust company or bank having  
8 the powers of a trust company, within or without the state. The  
9 trust agreement may pledge or assign the rentals and other revenues  
10 of the authority, but shall not convey or mortgage part or all of a  
11 project. The trust agreement shall contain provisions for  
12 protecting and enforcing the rights and remedies of the bondholders  
13 as may be reasonable and proper and not in violation of law,  
14 including covenants setting forth the duties of the authority in  
15 relation to the acquisition or construction of a project and the  
16 extension, enlargement, improvement, maintenance, operation,  
17 repair, and insurance of a project and the custody, safeguarding,  
18 and application of all money and may contain provisions for the  
19 employment of consulting engineers **AND OTHER PROFESSIONALS** in  
20 connection with the construction and operation of a project. The  
21 trust agreement shall set forth the rights and remedies of the  
22 bondholders and of the trustee and may restrict the individual  
23 right of action by the bondholders and may contain any other  
24 provisions the authority may consider reasonable and proper for the  
25 security of the bondholders.

26       Sec. 21. (1) The governing bodies of constituent units may, by  
27 majority vote, and with or without consideration, transfer or cause

1 to be transferred to the authority or may place in its possession  
2 and control, by lease, or other contract or agreement, either for a  
3 limited period or in fee, any dock, waterfront, or riparian  
4 property owned or controlled by a constituent unit.

5 (2) **SUBSECTION (1) DOES NOT APPLY TO AN OWNER OF PRIVATE**  
6 **PROPERTY THAT ENTERS INTO A PUBLIC-PRIVATE PARTNERSHIP WITH AN**  
7 **AUTHORITY UNLESS THE PUBLIC-PRIVATE PARTNERSHIP AGREEMENT**  
8 **SPECIFICALLY PROVIDES FOR THAT TRANSFER OF POSSESSION OR CONTROL OF**  
9 **PROPERTY OR RIGHTS IN PROPERTY.**

10 Sec. 24. (1) The authority shall submit in writing a detailed  
11 estimate of the budget required for the business and conduct of an  
12 authority's affairs, initially, for a 2-year period, and annually  
13 thereafter to the governing bodies of its constituent units ~~the~~  
14 ~~department of commerce,~~ and the **STATE TRANSPORTATION** department ~~of~~  
15 ~~state highways and transportation~~ for approval. The state shall  
16 provide 50% of the operating budget of ~~the~~ **ANY** authority **CREATED**  
17 **BEFORE JANUARY 1, 2016, to WHICH SHALL** be included in the **STATE**  
18 **TRANSPORTATION** department ~~of state highways and transportation~~  
19 budget which shall be subject to legislative approval. Fifty  
20 percent of the operating budget of an authority in which not more  
21 than 1 county and not more than 1 city participate shall be funded  
22 equally by the participating county and city.

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

1 increased by this section.

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

8 **SEC. 24A. AN AUTHORITY WITH THE APPROVAL OF THE GOVERNING BODY**  
9 **OF ITS CONSTITUENT UNIT OR EACH CONSTITUENT UNIT MAY LEVY AN AD**  
10 **VALOREM TAX ON THE REAL AND TANGIBLE PERSONAL PROPERTY NOT EXEMPT**  
11 **BY LAW AND AS FINALLY EQUALIZED IN THE CONSTITUENT UNIT OR**  
12 **CONSTITUENT UNITS. THE TAX SHALL NOT BE MORE THAN 2 MILLS. THE**  
13 **AUTHORITY MAY LEVY THE TAX ONLY IF A MAJORITY OF THE ELECTORS OF**  
14 **THE CONSTITUENT UNIT OR CONSTITUENT UNITS VOTING ON THE TAX APPROVE**  
15 **THE TAX. THE TAX SHALL BE COLLECTED BY THE CONSTITUENT UNIT OR**  
16 **CONSTITUENT UNITS CREATING THE AUTHORITY. THE CONSTITUENT UNIT OR**  
17 **CONSTITUENT UNITS SHALL COLLECT THE TAX AT THE SAME TIME AND IN THE**  
18 **SAME MANNER AS THEY COLLECT THEIR OTHER AD VALOREM TAXES. THE TAX**  
19 **SHALL BE PAID TO THE TREASURER OF THE AUTHORITY AND CREDITED TO THE**  
20 **GENERAL FUND OF THE AUTHORITY FOR PURPOSES OF THE AUTHORITY.**

21 Sec. 25. If at the end of a fiscal year a surplus of  
22 unencumbered funds remains after providing for the operating  
23 expenses of an authority, ~~the authority may pay that surplus into~~  
24 ~~the general funds of the state and of its constituent units in the~~  
25 ~~same proportion which the appropriations made by each to the~~  
26 ~~authority bear to each other.~~ **FUNDS SHALL NOT LAPSE BACK TO THIS**  
27 **STATE OR ITS CONSTITUENT UNITS BUT SHALL BE CARRIED FORWARD FOR THE**

1 **NEXT FISCAL YEAR OF THE AUTHORITY.**

2       Sec. 26. For the purpose of making surveys, soundings,  
3 drillings, examinations, and investigations as it considers  
4 necessary or convenient for the purposes of this act, an authority  
5 and its authorized agents and employees may enter upon the lands,  
6 waters, and premises in the authority, **SUBJECT TO PERMISSION OF THE**  
7 **PROPERTY OWNER**, and that entry shall not be considered a trespass;  
8 nor shall an entry for these purposes be considered an entry under  
9 any condemnation proceedings which may be then pending. The  
10 authority shall make reimbursement for actual damages resulting to  
11 the lands, waters, or premises as a result of these activities.

12       Enacting section 1. Section 30 of the Hertel-Law-T.  
13 Stopczynski port authority act, 1978 PA 639, MCL 120.130, is  
14 repealed.