

SENATE BILL No. 844

March 31, 1992, Introduced by Senator CARL and referred to the Committee on Transportation and Tourism.

A bill to amend section 7 of Act No. 214 of the Public Acts of 1952, 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; and making an appropriation,"

being section 254.317 of the Michigan Compiled Laws:

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 7 of Act No. 214 of the Public Acts of
2 1952, being section 254.317 of the Michigan Compiled Laws, is
3 amended to read as follows:

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

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

21 (2) ~~In the event that~~ IF the bonds ~~herein~~ authorized BY
22 THIS ACT are sold ~~prior to~~ BEFORE December 31, 1953, there
23 shall be appropriated from the HIGHWAY funds ~~of the state high-~~
24 ~~way department~~ derived from taxes imposed upon gasoline or other
25 motor fuels and on motor vehicles registered in the state to the
26 Mackinac bridge authority amounts sufficient to pay all expenses
27 of operating, repairing, and maintaining the bridge in each

1 fiscal year beginning with the fiscal year in which the bridge
2 ~~shall be~~ IS opened for traffic, and until the cost of THE
3 bridge, including all principal of and interest on the bonds
4 issued ~~hereunder~~ UNDER THIS ACT and all advances made ~~therefor~~
5 ~~shall have been~~ FOR THAT PURPOSE ARE fully paid. ~~Provided,~~
6 ~~however, That~~ HOWEVER, the amount so appropriated to the author-
7 ity shall not exceed in the aggregate \$417,000.00 in any one
8 fiscal year. The amounts so paid shall be based upon requisi-
9 tions of the authority subject to the audits ~~hereinbefore~~
10 described in this act. ~~Inasmuch as~~ SINCE the bridge ~~will be~~
11 IS an essential part of the public highway system of the state
12 and the operation, repair, and maintenance of the bridge will be
13 the performance of an essential governmental function of the
14 state, ~~the provisions of this paragraph shall have the force of~~
15 THIS SUBSECTION SHALL BE CONSIDERED A contract with the holders
16 of the bonds issued for the bridge, subject only to prior pledges
17 of ~~said~~ THESE funds ~~heretofore~~ PREVIOUSLY made. ~~+~~
18 ~~Provided, That the~~ THE state of Michigan shall not be liable for
19 any bonds or other obligations issued under ~~the provisions of~~
20 this act, and the FULL faith and credit of the state shall not be
21 pledged in carrying out any such obligations under this act.

22 (3) ~~It may be provided in the~~ THE resolution authorizing
23 or the trust indenture securing the bonds MAY PROVIDE that the
24 authority may not sell, encumber, lease, or otherwise dispose of
25 the bridge or any substantial part ~~thereof~~ OF THE BRIDGE while
26 the bonds are outstanding, except under such provisions as may be
27 ~~therein~~ provided IN THE RESOLUTION.

1 (4) ~~At such time as~~ WHEN the cost of the bridge, including
2 all principal of and interest on the bonds issued ~~hereunder~~
3 UNDER THIS ACT and all advances made therefor, ~~shall have been~~
4 IS fully paid from such tolls, fees, rents, rates, and charges,
5 ~~said~~ THE bridge shall thereafter be maintained and operated by
6 the state ~~highway commissioner, who is hereby authorized to~~
7 TRANSPORTATION DEPARTMENT. THE STATE TRANSPORTATION DEPARTMENT
8 MAY continue to charge such tolls, fees, rates and charges for
9 the use of ~~said~~ THE bridge as are ~~deemed~~ CONSIDERED necessary
10 ~~by him~~ to reimburse the ~~state highway~~ department for all sums
11 ~~theretofore~~ PREVIOUSLY paid by ~~said~~ THE department pursuant
12 to ~~the provisions of~~ this act for operation and maintenance of
13 the bridge. ~~Provided, however, That~~ HOWEVER, at such time
14 as ~~said~~ reimbursement has been made, ~~said~~ THE bridge shall
15 thereafter be maintained and operated by the ~~state highway~~
16 ~~commissioner~~ DEPARTMENT as a free bridge.

17 (5) THE AUTHORITY SHALL COMMENCE TO REIMBURSE THE ADVANCE
18 MADE BY THE MICHIGAN TRANSPORTATION FUND AND THE STATE TRUNK LINE
19 FUND BEGINNING WITH THE FISCAL YEAR ENDING SEPTEMBER 30, 1993, AT
20 THE RATE OF \$3,000,000.00 ANNUALLY. THE MONEY FROM SUCH REIM-
21 BURSEMENT SHALL BE DEPOSITED EACH YEAR IN THE STATE TRUNK LINE
22 FUND TO BE USED TO RETIRE BONDS TO BE ISSUED BY THE STATE TRANS-
23 PORTATION DEPARTMENT FROM STATE TRUNK LINE FUND REVENUES TO MEET
24 LOCAL CRITICAL BRIDGE NEEDS. IF THESE BONDS ARE ISSUED IN THE
25 AMOUNT OF \$30,000,000.00 OR MORE, THEN AT SUCH TIME AS THE BONDS
26 ARE RETIRED, THE CUMULATIVE REIMBURSED AMOUNT SHALL BE CONSIDERED
27 AS PAYMENT IN FULL OF THE PORTION OF THE ADVANCE MADE BY THE

1 MICHIGAN TRANSPORTATION FUND ATTRIBUTABLE TO COUNTY ROAD
2 COMMISSIONS AND TO THE CITIES AND VILLAGES OF THE STATE. IF
3 THESE BONDS ARE ISSUED IN AN AMOUNT OF LESS THAN \$30,000,000.00,
4 THEN AT SUCH TIME AS THE BONDS ARE RETIRED, THE CUMULATIVE REIM-
5 BURSED AMOUNT SHALL BE CONSIDERED AS PAYMENT TOWARDS THE PORTION
6 OF THE ADVANCE MADE BY THE MICHIGAN TRANSPORTATION FUND ATTRIBUT-
7 ABLE TO THE COUNTY ROAD COMMISSIONS AND TO THE CITIES AND VIL-
8 LAGES OF THE STATE. WHEN THE PORTION OF THE ADVANCE MADE FROM
9 THE MICHIGAN TRANSPORTATION FUND ATTRIBUTABLE TO COUNTY ROAD COM-
10 MISSIONS AND TO THE CITIES AND VILLAGES OF THE STATE HAS BEEN
11 PAID IN FULL, THEN AMOUNTS RECEIVED FOR REIMBURSEMENT OF THE
12 ADVANCE AFTER THE BONDS ARE RETIRED SHALL BE CREDITED TO THE POR-
13 TION OF THE ADVANCE ATTRIBUTABLE TO THE STATE TRUNK LINE FUND AND
14 THE COMPREHENSIVE TRANSPORTATION FUND.