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BILL ANALYSIS

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Senate Bills 829 through 832 (as introduced 10-19-05)

Sponsor: Senator Jason E. Allen

Committee: Transportation

Date Completed: 11-8-05

### **CONTENT**

**The bills would amend various statutes concerning the Mackinac Bridge Authority (MBA) to do the following:**

- Repeal a section transferring the operation of the Mackinac Bridge to the State Highway Department upon the repayment of refunding bonds issued by the MBA.**
- Transfer the MBA to the Michigan Department of Transportation (MDOT) as an autonomous entity within the Department.**
- Eliminate a provision designating the State Treasurer the treasurer of the MBA; require the MBA board to elect a member to serve as treasurer; and require the MBA to determine the manner of investing funds.**
- Allow the MBA to contract with any agency, including MDOT, for business and related management functions necessary to assure the bridge's continued operation.**

Senate Bill 831 is tie barred to Senate Bill 832. The bills are described in detail below.

#### **Senate Bill 829**

The bill would repeal Section 9 of Public Act 13 of 1966. The Act authorizes the State to borrow money and issue bonds for the purpose of refunding the outstanding bonds issued by the MBA.

Section 9 requires the operation of the Mackinac Bridge to be transferred to the State Highway Department when the proceeds from the sale of the refunding bonds have been received, and all amounts required to retire the outstanding bonds have been paid to the paying agent out of the proceeds from the sale of the bonds and out of any Mackinac Bridge Authority money on hand. Upon transfer, all property held by the MBA becomes the property of the Department.

#### **Senate Bill 830**

The bill would amend the Executive Organization Act to state that the MBA, with all its statutory authority, powers, duties, functions, records, personnel, property, unspent balances of appropriations, allocations, or other funds, including the functions of budgeting and procurement and management-related functions, would be transferred to and would be an autonomous entity in MDOT.

The bill would repeal Section 357 of the Act, which transferred the MBA to the Department by a type I transfer.

(Under the Act, a type I transfer is the transferring intact of an existing department or agency to a principal department established by the Act, to be administered under the supervision of the principal department.)

### **Senate Bill 831**

The bill would amend the Mackinac Bridge Authority law. Under the law, the MBA consists of seven members, six of whom are to be appointed by the Governor, with the advice and consent of the Senate, for terms of six years each. The seventh member must be the State Highway Commissioner. The bill would refer to the MDOT Director or his or her designee.

The law requires the State Treasurer to serve as treasurer of the Authority. All funds must be handled by the Treasurer in the same manner and governed by the same provisions of law as apply to State funds. The bill, instead, would require the board to elect one member to serve as treasurer, and require the MBA to determine the manner in which funds were invested.

The law authorizes the board to employ and to determine the compensation of such employees as engineers and construction experts, inspectors, and other personnel. The bill would extend that authority to contractual employees.

### **Senate Bill 832**

The bill would amend Public Act 214 of 1952 (which authorized the MBA to acquire a bridge connecting the Upper and Lower Peninsulas of Michigan) to allow the MBA, in its sole discretion, to contract with any agency, including MDOT, for any business and strategic planning, finances, investments, risk management, insurance, inspections, bridge maintenance, repair, inspection, operation, management, improvement, control, budgeting, procurement, and related management functions that the MBA deemed necessary to assure continued operation of the bridge.

MCL 254.369 (S.B. 829)  
MCL 16.359 (S.B. 830)  
MCL 254.302 (S.B. 831)  
MCL 254.324 (S.B. 832)

Legislative Analyst: Curtis Walker

### **FISCAL IMPACT**

The bills would have no fiscal impact on State or local government. As a historical note, Mackinac Bridge bonds issued by the State were repaid in 1986.

Fiscal Analyst: Craig Thiel

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.