

SENATE BILL No. 1533

September 23, 2008, Introduced by Senators HARDIMAN, ALLEN and McMANUS and referred to the Committee on Transportation.

A bill to amend 1950 (Ex Sess) PA 21, entitled

"An act to create the Mackinac bridge authority, and to prescribe its powers and duties; to provide for the determination of the physical and financial feasibility of a bridge connecting the upper and lower peninsulas of Michigan; to provide for a board of consulting engineers, and to prescribe its powers and duties; and to make an appropriation to carry out the provisions of this act,"

(MCL 254.301 to 254.302) by amending the title and by adding section 1a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to create the Mackinac bridge authority ~~—~~and to prescribe its powers and duties; to provide for the determination of the physical and financial feasibility of a bridge connecting the ~~upper and lower peninsulas~~ **UPPER AND LOWER PENINSULAS** of

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1 Michigan; to provide for a board of consulting engineers, and to
2 prescribe its powers and duties; TO PROVIDE FOR SELF-INSURANCE; TO
3 PROVIDE FOR THE FUNDING OF CLAIMS; TO PROVIDE FOR THE AUTHORITY TO
4 ENTER INTO AGREEMENTS WITH CERTAIN STATE AGENCIES; TO PRESCRIBE
5 CERTAIN DUTIES OF CERTAIN STATE AGENCIES; and to make an
6 appropriation to carry out the provisions of this act.

7 SEC. 1A. (1) THE AUTHORITY MAY ENTER INTO AN AGREEMENT WITH
8 THE STATE TRANSPORTATION DEPARTMENT TO PROVIDE FOR THE SELF-
9 INSURANCE OF BRIDGE ASSETS AND ACTIVITIES. THE AGREEMENT SHALL SET
10 FORTH THE TERMS AND CONDITIONS OF THE SELF-INSURANCE CONSISTENT
11 WITH THIS SECTION.

12 (2) THE AGREEMENT MAY PROVIDE THAT, TO THE EXTENT THAT CLAIMS
13 WOULD OTHERWISE HAVE BEEN PAID UNDER AN INSURANCE POLICY CARRIED BY
14 THE AUTHORITY, THE CLAIMS SHALL BE PAID FROM A SELF-INSURANCE
15 RESERVE ACCOUNT TO BE ESTABLISHED AND MAINTAINED BY THE AUTHORITY.
16 IF THERE ARE INSUFFICIENT FUNDS IN THE ACCOUNT TO PAY A CLAIM, THE
17 BALANCE OF THE CLAIM SHALL BE PAID BY THE STATE TRANSPORTATION
18 DEPARTMENT FROM FUNDS CONSTITUTIONALLY RESTRICTED TO TRANSPORTATION
19 PURPOSES BY SECTION 9 OF ARTICLE IX OF THE STATE CONSTITUTION OF
20 1963.

21 (3) THE SELF-INSURANCE RESERVE ACCOUNT SHALL BE FUNDED BY
22 ANNUAL PAYMENTS BY THE AUTHORITY OF AT LEAST \$200,000.00 UNTIL THE
23 TOTAL OF THE ACCOUNT EQUALS AT LEAST \$1,000,000.00, AS THE
24 AUTHORITY AND THE STATE TRANSPORTATION DEPARTMENT MAY AGREE. ONCE
25 THE ACCOUNT IS FULLY FUNDED, THE AUTHORITY MAY CEASE PAYMENTS TO
26 THE ACCOUNT EXCEPT TO THE EXTENT THAT THE PAYMENTS AGAIN BECOME
27 NECESSARY TO RESTORE A BALANCE OF \$1,000,000.00 AFTER THE PAYMENT

1 OF CLAIMS FROM THE ACCOUNT.

2 (4) IN ANY LAWSUIT FILED AGAINST THE AUTHORITY FOR DAMAGES
3 THAT ARE COVERED BY THE SELF-INSURANCE AGREEMENT, THE STATE
4 TRANSPORTATION DEPARTMENT SHALL DEFEND THE AUTHORITY AND CONTROL
5 THE COURSE AND DISPOSITION OF THE LITIGATION AS IF THE CLAIM WERE
6 AGAINST THE STATE TRANSPORTATION DEPARTMENT. THE STATE
7 TRANSPORTATION DEPARTMENT SHALL ADVISE THE AUTHORITY OF PENDING
8 LITIGATION AND CONSULT WITH THE AUTHORITY REGARDING THE POTENTIAL
9 DISPOSITION OF THE MATTER. THE STATE TRANSPORTATION DEPARTMENT'S
10 COST OF THE LITIGATION AND ANY SETTLEMENT OR JUDGMENT SHALL BE PAID
11 AS A CLAIM FROM THE SELF-INSURANCE RESERVE ACCOUNT OR STATE
12 TRANSPORTATION DEPARTMENT FUNDS AS PROVIDED IN THIS SECTION AND THE
13 AGREEMENT.