STATE BRIDGE COMMISSION; PUBLIC WORKS
Act 147 of 1935

AN ACT authorizing the acquisition, improvement, construction, operation and maintenance of certain public works by the state; providing for the creation of the state bridge commission; authorizing the issuance of revenue bonds of the state payable solely from earnings to pay the cost of such works; making such bonds exempt from taxation and making them eligible for certain investments; providing for the collection of fees, rents, tolls and other charges for the payment of such bonds and for the cost of maintenance, operation and repair of the works; declaring that no debt of the state shall be incurred in the exercise of any of the powers granted by this act; and providing for condemnation.

History: 1935, Act 147, Imd. Eff. June 4, 1935.

The People of the State of Michigan enact:

254.151 State bridge commission; issuance of revenue bonds for public works.

Sec. 1. Issuance of revenue bonds for public works. The state bridge commission hereinafter created is hereby authorized and empowered to acquire by purchase and to construct, or partly acquire and partly construct, and to improve, enlarge, reconstruct, own, equip, operate and maintain the public works hereinafter specified, and to issue revenue bonds, payable solely from earnings, to pay the cost of such works.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.151.

Compiler's note: The catchlines following the act sections numbers were incorporated as part of the act as enacted.

By Act 302 of 1931 the state gave its consent to the construction of a bridge across the Saint Clair river at or near Port Huron by the Great Lakes bridge commission, created by act of congress.

The state bridge commission, referred to in this act, was transferred to the department of state highways and transportation and abolished by MCL 16.456.

254.152 State bridge commission; definitions.

Sec. 2. Definitions. As used in this act, the following words and terms shall have the following meanings:

(a) The word "commission" shall mean the state bridge commission hereinafter created, or, if said state bridge commission shall be abolished, any board or officer succeeding to the principal functions thereof or upon whom the powers given by this act to said commission shall be given by law.

(b) The word "works" shall include all property, rights, easements and franchises relating thereto and deemed or convenient for their operation, and shall embrace an international bridge over, and ferries across the Saint Clair River at or near Port Huron.

(c) The word "improvements" shall mean such repairs, replacements, additions and betterments of and to works acquired by purchase as are deemed necessary to place them in a safe and efficient condition for the use of the public, if such repairs, replacements, additions and betterments are ordered prior to the sale of any bonds for the acquisition of such works.

(d) The term "cost of works" as applied to works to be acquired by purchase, shall include the purchase price, cost of improvements, financing charges, interest during any period of disuse before completion of improvements, cost of engineering and legal expenses, plans, specifications and surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense and such other expenses as may be necessary or incident to the financing herein authorized, and the acquisition of the works and the placing of the same in operation.

(e) The term "cost of works" as applied to works to be constructed, shall embrace the cost of construction, the cost of all land, property, rights, easements and franchises acquired which are deemed necessary for such construction, the cost of all machinery and equipment, financing charges, interest prior to and during construction and for 6 months after completion of construction, cost of engineering and legal expenses, plans, specifications, surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense and such other expenses as may be necessary or incident to the financing herein authorized and the construction of the works and the placing of the same in operation.

(f) The word "owner" shall include all individuals, incorporated companies, societies or associations having any title or interest in any properties, rights, easements or franchises to be acquired.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.152.

254.153 State bridge commission; membership, oath, bond.

Sec. 3. State bridge commission. There is hereby created a commission to be known as the "state bridge commission," and by that name the commission may sue and be sued; plead and be impleaded; contract and

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be contracted with; and have a common seal. The said commission shall consist of 3 members, who shall be appointed by the governor, with the advice and consent of the senate. The governor shall appoint the members of such commission as soon as may be after this act becomes effective. The said commissioners shall immediately enter upon their duties and shall hold office until the expiration of 2, 4 and 6 years, respectively, from the first day of April, 1935, the term of each to be designated by the governor, but their successors shall be appointed for the term of 6 years, excepting that any person appointed to fill a vacancy shall serve only for the unexpired term; and any commissioner shall be eligible for reappointment. Each commissioner before entering upon his duties shall take, subscribe and file his oath of office as required by law. Before the issuance of any bonds under the provisions of this act, each commissioner shall execute a bond, to be approved by the governor, in the penalty of 10,000 dollars, conditioned according to law, which bond shall be filed and recorded as are other bonds required of state officials. The commission shall elect 1 of its members as chairman and shall also elect a secretary who may not be a member of the commission. The state treasurer shall act as treasurer of the commission.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.153.

254.154 State bridge commission; acquisition of necessary property.

Sec. 4. Acquisition of necessary property. The commission shall have power to acquire by purchase upon such terms and conditions and in such manner as it may deem proper, and to acquire by condemnation in accordance with and subject to the provisions of any and all existing laws applicable to the condemnation of property for public use, any land, rights, easements, franchises and other property deemed necessary or proper for the construction, operation and maintenance of such works. Title to all property acquired or condemned shall be taken in the name of the state. The state shall be under no obligation to accept and pay for any property condemned under this act except from the funds provided by this act, and in any proceedings to condemn such orders may be made by the court having jurisdiction of the suit, action or proceeding as may be just to the state and to the owners of the property to be condemned. No property shall be acquired under this act upon which any lien or other encumbrance exists, unless at the time such property is acquired a sufficient sum of money be deposited in trust to pay and redeem such lien or encumbrance in full.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.154.

254.155 State bridge commission; purchase of public works.

Sec. 5. Purchase of works. The commission is hereby authorized to acquire by purchase whenever it shall deem such purchase expedient, but solely by means of or with the proceeds of revenue bonds hereinafter authorized, any public works hereinabove specified, or any such works wholly or partly constructed, and any franchises, easements, permits and contracts for the construction of any such works, upon such terms and at such prices as may be considered by it to be reasonable and can be agreed upon between it and the owner thereof, title thereto to be taken in the name of the state.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.155.

254.156 Improvement of public works.

Sec. 6. Improvement of works purchased. At or before the time any such works shall be acquired by purchase, it shall be the duty of the commission to determine what repairs, replacements, additions or betterments will be necessary to place the works in safe and efficient condition for use, and to cause an estimate of the cost of such improvement to be made, and submitted to the commission by an engineer or engineers appointed by it; such improvements shall be ordered by the commission before the sale of any revenue bonds hereinafter authorized for the acquisition of such works, and shall be paid for out of the proceeds of such bonds.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.156.

254.157 Construction of public works; agreements with other states and Canada.

Sec. 7. Construction of works. The commission is hereby authorized to construct, whenever it shall deem such construction expedient, any public works hereinabove specified, the cost of such construction to be paid wholly by means of or with the proceeds of revenue bonds hereinafter authorized. The commission is hereby authorized to make agreements with any company, corporation or commission, incorporated or created under the laws of an adjoining state or of Canada, respecting the construction, maintenance and use of any public works which said commission is authorized by this act to acquire or construct, together with all appurtenances of such works, and is authorized to purchase within this state and within any adjoining state or within the Dominion of Canada, solely from funds provided under the authority of this act, any such works already constructed or partly constructed, and such lands, structures, rights of way, franchises, surveys, plans, works,

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plant, machinery, and easements and other interests in lands, including lands under water and riparian rights of any person, railroad or other corporation or municipality or political subdivision, deemed necessary for the construction of any such works or for the operation thereof, upon such terms and at such prices as may be considered by it to be reasonable and can be agreed upon between it and the owner thereof, title thereto to be taken in the name of the state.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.157.

254.158 Revenue bonds for public works; sale, notice; signature; report to administrative board.

Sec. 8. Revenue bonds. The commission is hereby authorized to provide by resolution for the issuance of revenue bonds of the state (A) for the purpose of paying the cost as hereinabove defined of any 1 or more public works which said commission is authorized by this act to acquire or construct, which resolution shall recite an estimate of such cost, or (B) to refund any revenue bonds, heretofore or hereafter issued under the provisions of this act, not earlier than 1 year prior to either the date of maturity of such revenue bonds or the date upon which they may be redeemed prior to maturity, or at any time, upon the surrender for payment of at least an equal par amount of revenue bonds authorized by said resolution to be refunded: Provided, That any issue of such refunding bonds shall not exceed the total par amount of outstanding revenue bonds, less any available funds and sinking fund balances. Such refunding bonds shall be sold to the highest bidder upon sealed bids, the same to be publicly opened by the commission. No bid shall be accepted by the commission except upon the express approval of the state treasurer. Highest bidder is hereby defined as the person, firm or corporation submitting a proposal which shall effect the greatest saving of interest upon the bonds refunded. Notice of such sale shall be published at least 7 days prior to the day of opening bids in the Michigan Investor, the Bond Buyer and such other financial journals as the commission may deem advisable. No sale of such refunding bonds shall be made at a figure of less than that required to redeem and pay the bonds refunded and effect a net saving of at least /2 of 1% upon the bonds refunded. The principal and interest of such bonds shall be payable solely from the special fund herein provided for such payment. Such revenue bonds shall bear interest at not more than 6 per centum per annum, payable semi-annually, and shall mature at such time or times not more than 40 years from their date or dates as may be fixed by such resolution. All such revenue bonds may be made redeemable before maturity at the option of the commission at such price or prices and under such terms and conditions as may be fixed by the commission prior to the issuance of the bonds. The principal and interest of such revenue bonds may be made payable in any lawful medium. The commission shall determine the form of the bonds and the interest coupons to be attached thereto and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest thereof, which may be at any bank or trust company within or without the state. Revenue bonds issued by the commission shall be signed by the governor and by the chairman of the commission, under the great seal of the state, attested by the secretary of state, and the coupons attached thereto shall bear the facsimile signature of said chairman of the commission. Any refunding bonds issued shall be signed solely by the chairman and the secretary of the commission, under the seal of the commission. All bonds issued under this act shall contain a statement on their face that the state shall not be obligated to pay the same or the interest thereon except from the revenues of the works. In case any of the officers whose signatures appear on the bonds and coupons shall cease to be such officers before the delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. All such revenue bonds shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the state. Such bonds shall be exempt from all taxation, state, county and municipal, and unless otherwise provided by law, shall be lawful investments in the same manner and to the same extent as other bonds of the state. Provision may be made for the registration of any of the bonds in the name of the owner as to principal alone or as to both principal and interest. The commission may sell such bonds in such manner and for such price as it may determine to be for the best interests of the state, taking into consideration the financial responsibility of the purchaser and the terms and conditions of the purchase, and especially the availability of the proceeds of the bonds when required for payment of the cost of the works, but no such sale shall be made at a price so low as to require the payment of more than 6 per cent interest on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values. The proceeds of such bonds shall be used solely for the payment of the cost of the works, or, in the case of refunding bonds, for the payment of the revenue bonds refunded, and shall be checked out in such manner and under such restrictions, if any, as the commission may provide. If the proceeds of the revenue bonds, by error of calculation or otherwise, shall be less than the cost of the works, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in the trust indenture hereinafter mentioned, shall be deemed to be of

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the same issue and shall be entitled to payment from the same fund, without preference or priority of the bonds first issued for the same works. If the proceeds of bonds issued for any such works shall exceed the cost thereof, the surplus shall be paid into the fund hereinafter provided for the payment of principal and interest of such bonds. Prior to the preparation of definitive bonds, the commission may under like restrictions issue temporary bonds with or without coupons, exchangeable for definitive bonds upon the issuance of the latter. Such revenue bonds may be issued without any other proceedings or the happening of any other conditions or things than those proceedings, conditions and things which are specified and required by this act or by the constitution of the state. In the discretion of the commission revenue bonds of a single issue may be issued for the purpose of paying the cost of any 1 or more public works, whether of the same class or 2 or more classes.

A report shall be made by the commission to the state administrative board on or before the fifteenth day of January, fifteenth day of April, fifteenth day of July, fifteenth day of October of each year, which report shall state the receipts and disbursements during the preceding quarter, and shall contain such further information as the state administrative board shall require.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—Am. 1945, Act 63, Imd. Eff. Mar. 28, 1945;—CL 1948, 254.158.

254.159 Lien on bond proceeds.

Sec. 9. Lien upon bond proceeds. All moneys received from any revenue bonds issued pursuant to this act shall be applied solely to the payment of the cost of the works or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys until so applied, in favor of the holders of the bonds or the trustee hereinafter provided for in respect of such bonds.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.159.

254.160 Trust indenture; collateral security, surety bonds; expenses.

Sec. 10. Trust indenture. In the discretion of the commission, any series or issue of such revenue bonds may be secured by a trust indenture by and between the commission and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or outside of the state, but no such trust indenture shall convey or mortgage the works or any part thereof. Either the resolution providing for the issuance of revenue bonds or such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper, not in violation of law, including covenants setting forth the duties of the state and the commission in relation to the acquisition, construction, improvement, maintenance, operation, repair and insurance of the works, the custody, safeguarding and application of all moneys, and may provide that the works shall be acquired, constructed, or partly acquired and partly constructed, and paid for under the supervision and approval of consulting engineers employed or designated by the commission and satisfactory to the original purchasers of the bonds issued therefor, who may be given the right to require that security given by contractors and by any depositary of the proceeds of the bonds or revenues of the works or other moneys pertaining thereto, be satisfactory to such purchasers, their successors, assigns or nominees. Such resolution or indenture may set forth the rights and remedies of the bondholders and trustee, restricting the individual right of action of bondholders as is customary in trust indentures securing bonds and debentures of corporations. Except as in this act otherwise provided, the commission may provide by resolution or by such trust indenture for the payment of the proceeds of the sale of the bonds and the revenues of the works to such officer, board or depositary as it may determine for the custody thereof, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. Any bank or trust company designated as a depositary, notwithstanding any provision of law to the contrary, is hereby authorized, with the approval of the commissioner of the state banking department, to pledge as collateral security for moneys deposited by the trustee in such depositary, direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States government, or other marketable securities eligible as security for the deposit of trust funds under regulations of the federal reserve board and having a market value (exclusive of accrued interest) at least equal to the amount of such deposit, or in lieu of such collateral security as to all or any part of such deposit, there shall have been lodged with the trustee, or with the secretary of the commission in the case of moneys deposited or remaining on deposit with the trustee, and remain in full force and effect as security for the moneys deposited, the indemnifying bond or bonds of a surety company or companies qualified as surety for United States government deposits and qualified to transact business in the state of Michigan in a sum at least equal to the amount of moneys deposited with such bank or trust company or such part thereof, such bond or bonds to be approved in writing by the commission: Provided, however, That it shall not be necessary for the trustee to give collateral security or file a surety bond as security for the deposit of that amount of the proceeds of the bonds which shall be paid out of the construction fund simultaneously with the delivery of the bonds: And provided further, however, That the cost of any surety bond furnished by the trustee may be paid for out of

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funds from time to time in the hands of the trustee. All expenses incurred in carrying out such trust indenture may be treated as a part of the cost of maintenance, operation and repairs of the works affected by such indenture.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—Am. 1937, Act 11, Imd. Eff. Apr. 22, 1937;—CL 1948, 254.160.

254.161 Revenues; contracts with state highway department and Ontario; elimination of tolls.

Sec. 11. Tolls, fees, rents, rates or other charges shall be fixed, charged and collected for the use of such works and shall be so fixed and adjusted, in respect to the aggregate of such tolls, fees, rents, rates or other charges from the works for which a single issue of revenue bonds is issued, as to provide a fund sufficient to pay (a) operating, repair and maintenance expenses, until such time as the bridge shall become a free bridge as hereinafter provided, and (b) such issue of bonds and the interest thereon, subject, however, to any applicable law or regulation of the United States of America now in force or hereafter to be enacted or made. Such tolls, fees, rents, rates or other charges shall not be subject to supervision or regulation by any state bureau, board, commission or agency. At or before the issuance of any revenue bonds, the commission shall by resolution create a sinking fund for the payment of the bonds and the interest thereon, and the payment of the charges of banks or trust companies for making payment of such bonds or interest, and shall set aside and pledge a sufficient amount of the net revenues of the works, hereby defined to be the revenues of the works remaining after the payment of the reasonable expense of operation, maintenance and repairs, such amount to be paid into such sinking fund at intervals to be determined by the commission prior to the issuance of the bonds, for (a) the interest upon such bonds as such interest shall fall due and (b) the necessary fiscal agency charges for paying bonds and interest and (c) the payment of the bonds as they fall due, or, if all bonds mature at 1 time, the proper maintenance of a sinking fund sufficient for the payment thereof at such time, and (d) a margin for the payment of premiums upon bonds retired by call or purchase as herein provided. Such required payments shall constitute a first charge upon all the net revenues of the works. Prior to the issuance of revenue bonds, the commission may provide by resolution or by such trust indenture for using the sinking fund or any part thereof in the purchase of any of the outstanding bonds payable therefrom at the market price thereof, but not exceeding the price, if any, at which the same shall at the next interest date be payable or redeemable, and all bonds redeemed or purchased shall forthwith be cancelled and shall not again be issued. The moneys in the sinking fund, less a reserve for payment of not exceeding 1 year's interest on the bonds, if not used within a reasonable time for the purchase of bonds for cancellation as above provided, shall be applied to the redemption of bonds by lot at the redemption price then applicable.

The commission is authorized and empowered to enter into any contract or contracts with the state highway department of the state of Michigan and the department of highways of the province of Ontario, for the maintenance of said bridge and its approaches.

When the bonds authorized and issued under the provisions of this act have been paid and retired, tolls or charges for its use by the public may be charged only to cover the payment of the reasonable expenses of operation, maintenance and repairs.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—Am. 1937, Act 11, Imd. Eff. Apr. 22, 1937;—CL 1948, 254.161;—Am. 1955, Act 65, Eff. Oct. 14, 1955.

254.162 Powers of commission.

Sec. 12. Powers. The commission shall have power to make and enter into all contracts or agreements necessary or incidental to the execution of its powers under this act, and may employ engineering, architectural and construction experts and inspectors and attorneys, and such other employes as may be deemed necessary, and may fix their compensation. All such compensation and all expenses incurred in carrying out the provisions of this act shall be paid solely from funds provided under the authority of this act, and no liability or obligation shall be incurred hereunder beyond the extent to which money shall have been provided under the authority of this act. The commission may accept from any federal agency grants for or in aid of the construction of any public works under this act, and may exercise any powers which may be conferred upon it by acts of the congress of the United States or which are necessary or convenient for the execution of its powers under this act. All public or private property damaged or destroyed in carrying out the powers granted under this act shall be restored or repaired and placed in their original condition, as nearly as practicable, or adequate compensation made therefor, out of funds provided by this act.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.162.

254.163 Action by trustee and bondholders.

Sec. 13. Action by trustee and bondholders. Any holder of any of such revenue bonds or any of the

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coupons attached thereto, and the trustee, if any, except to the extent the rights herein given may be restricted by resolution passed before the issuance of the revenue bonds or by the trust indenture may, either at law or in equity, by suit, action, mandamus or other proceeding protect and enforce any and all rights granted hereunder or under such resolution or trust indenture and may enforce and compel performance of all duties required by this act or by such resolution or trust indenture to be performed by the commission, including the fixing, charging and collecting of tolls, fees, rents, rates and other charges for the use of such works.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.163.

254.164 Acceptance of contributions; use.

Sec. 14. Contributions. The commission shall have authority to receive and accept contributions of either money or property or other things of value to be held, used and applied for the purposes in this act provided. The state highway department, subject to the approval of the state administrative board, is hereby authorized to cooperate with the commission in the construction of any bridge under the provisions of this act and in securing federal aid therefor.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.164.

254.165 Competing ferries.

Sec. 15. Competing ferries. If the commission shall provide for the issuance hereunder of a single issue of revenue bonds for the purpose of paying the cost of constructing a bridge or tunnel and of acquiring a ferry or ferries within 5 miles of the location which shall be selected for such bridge or tunnel, the commission shall not be required to maintain or operate any such ferry but in the discretion of the commission any such ferry, with the appurtenances and property thereto connected and belonging, may be sold or otherwise disposed of or may be abandoned and dismantled whenever in the judgment of the commission it may seem expedient so to do. The proceeds of any sale or disposition of any ferry or ferries shall be paid into the sinking fund hereinabove provided for the bonds.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.165.

254.166 Alternative methods of act.

Sec. 16. Act provides alternative method. This act shall be deemed to provide an additional and alternative method for the doing of the things authorized hereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.166.

254.167 Construction of act.

Sec. 17. Act liberally construed. This act, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect the purposes hereof.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—CL 1948, 254.167.

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