# MACKINAC BRIDGE AUTHORITY
## Act 214 of 1952

AN ACT authorizing the Mackinac bridge authority to acquire a bridge and a utility tunnel 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 the 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 the bridge and 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 bonds and granting certain rights and remedies to the holders of bonds; authorizing banks and trust companies to perform certain acts in connection with the payment and security of bonds; 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 the bridge; authorizing employment of engineers regardless of whether those engineers have been previously employed to make preliminary inspections or reports with respect to the bridge; authorizing the state transportation department to operate and maintain the bridge or to contribute to the bridge and enter into leases and agreements in connection with the bridge; exempting bonds and the property of the authority from taxation; prohibiting competing traffic facilities; authorizing the operation of ferries by the authority; authorizing the creation of the Mackinac Straits corridor authority; authorizing the operation of a utility tunnel by the authority or the Mackinac Straits corridor authority; providing for the construction and use of certain buildings; and making an appropriation.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952;—Am. 1992, Act 120, Imd. Eff. June 26, 1992;—Am. 2018, Act 359, Imd. Eff. Dec. 12, 2018.

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*The People of the State of Michigan enact:*

### 254.311 Mackinac bridge authority; definitions; scope of act.

Sec. 1. As used in this act:

(a) "Authority" means the Mackinac bridge authority created in 1950 (Ex Sess) PA 21, MCL 254.301 to 254.302. This subdivision does not apply to sections 14a, 14b, 14d, and 14e.

(b) "Board" means the members of the authority. This subdivision does not apply to section 14b.

(c) "Bridge" means the project for the acquisition of which this act is adopted and means a bridge or structure extending from the Upper Peninsula to the Lower Peninsula of Michigan, and includes all of the following forming any part of the bridge or connected with or used or useful in the operation of the bridge, causeways, bridges, tunnels, roads, fills and approaches, or any combination thereof, parking space and facilities, park and recreation facilities, lighting facilities, terminal facilities consisting of areas, structures, and buildings in which rest rooms, waiting rooms, restaurant and similar facilities, and other accommodations for the traveling public may be installed, including all fixtures, utility lines, accessories, and equipment relating to any or all of the above, and including the improvement and beautification of terminal areas at each end of the structure as may be designed to increase the use of the structure, and including all real and personal property, tangible or intangible, licenses, franchises, easements, and rights-of-way necessary thereto.

(d) "Cost of the bridge" includes all expenditures made in connection with the acquisition and construction of the bridge, financing charges, interest to accrue on the bonds during the period occupied by the construction of the bridge and for a period after construction of the bridge as determined by the board, the aggregate of such periods, however, not to exceed 7 years, cost of engineering and legal expenses, plans, specifications and surveys, other expenses necessary or incidental to determining the feasibility of the project, the cost of all land, property, rights, easements and franchises, reimbursement of all money that may have been or will be paid or advanced by the state of Michigan or any of its agencies, departments, or subdivisions, and all other expenses properly incident to the acquisition of the bridge and the issuance of the bonds.

(e) "The state" means the state of Michigan.

(f) "The bonds" means all bonds authorized to be issued by this act.

(g) "To construct" means to acquire through construction, purchase, gift, condemnation, or any combination thereof.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952;—Am. 2018, Act 359, Imd. Eff. Dec. 12, 2018.

### 254.312 Mackinac bridge authority; corporate existence, terms.


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Sec. 2. The corporate existence of the authority shall continue until all of its liabilities have been met and the bonds, including refunding bonds, have been paid in full or otherwise discharged and when all such liabilities and bonds have been discharged in full, all rights and properties of the authority shall pass to and be vested in the state.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

### 254.313 Repealed. 2005, Act 331, Imd. Eff. Dec. 28, 2005.

**Compiler's note:** The repealed section pertained to power of the authority to conduct preliminary examinations and provisions relating to appropriations.

### 254.314 Mackinac bridge authority; bridge construction, bond proceeds; property acquisition and condemnation, surveys, easements.

Sec. 4. The authority is hereby authorized and empowered to construct a suitable bridge (as "construct" and "bridge" are above defined) joining and linking together the upper peninsula and the lower peninsula of Michigan and to operate, maintain, improve and repair such bridge. The cost of such construction of the bridge shall be paid from the proceeds of bonds issued hereunder and from any other funds legally available for the payment of such cost: Provided, That nothing herein contained shall be so construed as to permit the authority to incur obligations which would constitute an indebtedness of the state within the meaning of any constitutional prohibition or limitation.

In connection with the construction of the bridge the authority is hereby empowered to purchase or otherwise acquire all property and rights necessary thereto, including but not limited to roads, structures, rights-of-way, franchises, easements and other interests in lands, including lands under water, and the riparian rights of any person, natural or corporate, political entity or political subdivision, and including the right to cut off light, air and access to real property, upon such terms and at such prices as may be fair and reasonable. Whenever it shall become necessary, any such property may be condemned and the authority is hereby empowered in its discretion to condemn any property or interest therein which it may deem necessary for such purpose. In the condemnation of property or interest therein, the authority may proceed under any act applicable thereto, or it may invoke and proceed under the provisions of Act No. 149 of the Public Acts of 1911, as now or hereafter amended, and in so doing shall have all the rights, powers and privileges granted to "public corporations" as defined in that act. The authority may enter on any lands, waters and premises for the purpose of making surveys, soundings and examinations. The state of Michigan hereby expressly grants to the authority, without consideration, the right to use, and full easements and rights-of-way through, across, under and over any lands or property owned by the state or in which the state has any right, title or interest, which may be necessary or convenient to the construction and efficient operation of the bridge.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

### 254.315 Revenue bonds; purposes; sale or exchange of refunding bonds; contracts for fiscal agents' services; payment of principal, interest, and redemption premiums; serial bonds or term bonds; statement; signatures; negotiability; tax exemption; sale; approval; temporary bonds; recital; scope of section.

Sec. 5. (1) The authority may by resolution of the board provide for the issuance of revenue bonds for the purpose of paying the cost of the bridge or for the purpose of refunding the bonds, including refunding bonds, or for any combination of these purposes. Refunding bonds may be either sold at not less than par and accrued interest or may be delivered in exchange for the bonds to be refunded or may be sold in part and exchanged in part and if sold, the proceeds of the sale or exchange when received, together with other properly available funds sufficient to pay the balance of the principal, interest, and redemption premiums that will be due on the bonds to be refunded, shall be deposited with the paying agent for the bonds to be refunded and used only for the purpose of making those payments. A sale or exchange described in this subsection is subject to the approval of the state administrative board. The board may enter into contracts for fiscal agents' services in connection with the financing of the bridge as approved by the state administrative board, or the state treasurer may be used as fiscal agent.

(2) Principal of and interest and redemption premiums on the bonds issued under this section are payable solely from the revenues of the authority, except that payments may also be made from the proceeds of refunding bonds issued under this section and capitalized interest may be paid from the proceeds of the bonds. The bonds may be either serial bonds, term bonds, or a combination of serial and term bonds. Any serial bonds shall have annual or semiannual maturities, the first maturity of which shall be payable not more than 10 years from their date. A term bond is redeemable on any interest payment date at a price and upon terms and conditions as prescribed by the authorizing resolution of the board, and recited upon the face of the bond.

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A bond shall mature not more than 50 years from its date, shall be a coupon bond bearing interest at not more than 6% per annum, payable semiannually except as to the first coupon which may be for any number of months not exceeding 10, shall be payable in a medium, shall be in a form and executed in a manner, shall have a privilege of registration as to principal or principal and interest, shall be payable at a place inside or outside this state, and shall otherwise have other details as fixed by resolution of the board. Serial bonds may be made redeemable prior to maturity at a price and under terms and conditions prescribed in the resolution of the board, and recited upon the face of the bonds.

(3) A bond issued under this section shall contain a statement on its face that neither the bond nor the coupon representing interest on the bond constitutes an indebtedness of this state within the meaning of any constitutional limitations or prohibitions and that neither the authority nor this state is authorized to pay the bond or interest except from the revenues pledged to the bond or interest under this act. In case any official whose signature appears on a bond or coupon ceases to be an officer before the delivery of the bond, his or her signature shall nevertheless be valid and sufficient for all purposes as though he or she had remained in office until delivery. A bond issued under this section is fully negotiable and has all of the qualities incident to negotiable instruments under the uniform commercial code, subject only to the provisions for registration of the bond that appears in the bond. A bond issued under this section is exempt from all taxation by this state or a political subdivision of this state and shall be sold at public sale after notice at least 5 days before the sale in a publication approved by the department of treasury for the carrying of the notice, but no sale shall be made at a price that will result in an interest cost of more than 6% per annum. However, all or any part of a bond issued under this section may be sold to the United States government or an agency of the United States government, at private sale without public offering and the authority is authorized to enter into any agreements or contracts with the United States government or any of its agencies necessary to provide for the financing of the bridge in the manner contemplated by this act. A bond issued under this section may be authorized and may be issued from time to time as needed and subsequent series or issues of a bond issued under this section have equal or subordinate status with respect to the pledge of revenues from which the bond is payable as provided in the proceedings authorizing its issuance. Any public sale, or negotiated sale of a bond issued under this section with the United States government or any of its agencies, is subject to the approval of the state administrative board. Prior to the preparation of a definitive bond, the board may provide for the issuance of a temporary bond with or without a coupon, exchangeable for a definitive bond upon the issuance of the temporary bond. The proceedings authorizing a bond issued under this section may provide that the bond shall contain a recital that it is issued under this act and the recital is conclusive evidence of its validity and the regularity of its issuance.

(4) This section does not apply to the acquisition, construction, operation, maintenance, improvement, repair, or management of a utility tunnel. As used in this subsection, "utility tunnel" means that term as defined in section 14.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952;—Am. 1983, Act 123, Imd. Eff. July 18, 1983;—Am. 2018, Act 359, Imd. Eff. Dec. 12, 2018.

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### 254.316 Mackinac bridge authority; security, trust indenture; authority, duties; annual audit; depository; collateral security; approval.

Sec. 6. In the discretion of the board any series of bonds hereunder may be secured by a trust indenture by and between the authority 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 bridge or any part thereof. Either the resolution providing for the issuance of bonds or such trust indenture may contain such provisions for the security and payment of such bonds and for the protection and enforcement of the rights and remedies of the bondholders as may be deemed advisable by the board, not in violation of the constitution of this state, including specifically covenants setting forth: (a) The duties of the authority in relationship to the construction, maintenance, operation, repair and insurance of the bridge; (b) the pledge of the revenues of the bridge or any part thereof; (c) limitations on the amount of money derived from the operation of the bridge which may be expended for operating, administrative or other specified expenses of the authority; (d) the safeguarding and application of the fund from which the cost of the bridge is to be paid and of the revenues pledged to the payment of the bonds, all of which may be deposited in as received and paid out by such bank or banks as may be therein provided, and none of which need be paid into the state treasury; (e) provision for the employment of consulting engineers to supervise the construction of the bridge and to supervise its maintenance and operation, to which consulting engineers may be delegated all rights and duties with respect thereto deemed advisable by the board and the appointment of which consulting engineers shall be subject to such approval by the purchasers or holders of the bonds as may be provided in such resolution or indenture; (f) rights and remedies of the bondholders and the trustee, if any, and such


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restrictions thereon as may be considered advisable; and (g) any other and additional provisions ordinarily found in trust agreements securing bond issues protecting and enforcing the rights and security of the holders of the bonds and designed to make the bonds more attractive and negotiable at the best available prices. The resolution or trust indenture shall contain a provision requiring an annual audit of the books and records of the authority, or any fiscal agent or trustees specified in such resolution or trust indenture, by the auditor general of the state of Michigan: Provided, That the auditor general may select a certified public accountant or accountants to make the audit, and in case the auditor general shall so select, the cost thereof shall be paid by the authority. No deposit shall be made under the provisions of this act in violation of the provisions of section 15 of article 10 of the Michigan constitution.

Any bank or trust company designated as trustee hereunder or designated as depository for any funds hereunder, notwithstanding any provision of law to the contrary, is hereby authorized to pledge as collateral security for moneys deposited in such bank or trust company 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 may be lodged with the trustee, or with the secretary of the authority 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 in 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, if such indemnity bond or bonds be approved by the state administrative board. All expenses incurred in carrying out such provisions appearing in any trust indenture or bond resolution and the cost of any surety bond furnished as above provided may be treated as part of the cost of maintaining and operating the bridge.

Such resolution or trust indenture may contain such other provisions as the board may deem reasonable and proper for the security of the bondholders, including, but without limitation, covenants prescribing all happenings or occurrences which constitute events of default and the terms and conditions upon which bonds may become or be declared to be due before maturity and as to the rights, liabilities, powers and duties arising upon the breach by the authority of any of its duties or obligations. Any such resolution or trust indenture shall be subject to the approval of the state administrative board.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

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### 254.317 Mackinac bridge authority; bridge construction, tolls, utility lines, lease; appropriation, sale or lease; revenues, priority.

Sec. 7. The authority shall properly construct, maintain, operate, repair, manage and control the bridge, except as hereinafter provided, and shall determine the rates of tolls and charges to be made for the services and facilities afforded thereby and may make and enter into all contracts or agreements deemed necessary or desirable to the performance of its duties and the execution of its powers under this act including, but not limited to, power to permit use of the bridge by public carriers and for telephone, telegraph and other utility lines and to contract for such use and determine the terms and conditions thereof, and the rates to be charged therefor. The authority may in its discretion construct as a part of the bridge telephone, telegraph or other utility lines and mechanical equipment not inconsistent with the appropriate use of the bridge and may lease the right to use the same on such terms and for such considerations as it shall determine. Tolls, fees, rents and charges shall be fixed, imposed and collected for the use of the bridge and its services and facilities so as to make the revenues to be derived from the operation of the bridge fully sufficient, until such time as the principal of and interest on the bonds herein authorized are paid in full (a) pay all expenses of operating, repairing and maintaining the bridge, except to the extent that such expenses may be in whole or in part cared for by the state highway department as hereinafter provided, (b) make possible the prompt payment of principal of and interest on all bonds herein authorized and the making of all payments required to be made for such purpose and for the creation of a reserve therefor and a reserve for contingencies as may be provided in the resolution authorizing or the trust indenture securing the bonds. Such tolls, fees, rents, rates or other charges shall not be subject to supervision or regulation by any bureau, board, commission or agency. When the cost of the bridge, including all principal of and interest on the bonds issued hereunder and all advances made therefor, shall have been fully paid from such tolls, fees, rents, rates and charges, the collection therefor for the use of such bridge shall cease and the bridge shall be maintained and operated by the state as a free bridge.

In the event that the bonds herein authorized are sold prior to December 31, 1953, there shall be appropriated from the funds of the state highway department derived from taxes imposed upon gasoline or


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other motor fuels and on motor vehicles registered in the state to the Mackinac bridge authority amounts sufficient to pay all expenses of operating, repairing and maintaining the bridge in each fiscal year beginning with the fiscal year in which the bridge shall be opened for traffic, and until the cost of bridge, including all principal of and interest on the bonds issued hereunder and all advances made therefor shall have been fully paid: Provided, however, That the amount so appropriated to the authority shall not exceed in the aggregate $417,000.00 in any one fiscal year. The amounts so paid shall be based upon requisitions of the authority subject to the audits hereinbefore described in this act. Inasmuch as the bridge will be an essential part of the public highway system of the state and the operation, repair and maintenance of the bridge will be the performance of an essential governmental function of the state, the provisions of this paragraph shall have the force of contract with the holders of the bonds issued for the bridge, subject only to prior pledges of said funds heretofore made: Provided, That the state of Michigan shall not be liable for any bonds or other obligations issued under the provisions of this act, and the faith and credit of the state shall not be pledged in carrying out any such obligations under this act.

It may be provided in the resolution authorizing or the trust indenture securing the bonds that the authority may not sell, encumber, lease or otherwise dispose of the bridge or any substantial part thereof while the bonds are outstanding, except under such provisions as may be therein provided.

At such time as the cost of the bridge, including all principal of and interest on the bonds issued hereunder and all advances made therefor, shall have been fully paid from such tolls, fees, rents, rates and charges, said bridge shall thereafter be maintained and operated by the state highway commissioner, who is hereby authorized to continue to charge such tolls, fees, rates and charges for the use of said bridge as are deemed necessary by him to reimburse the state highway department for all sums theretofore paid by said department pursuant to the provisions of this act for operation and maintenance of the bridge: Provided, however, That at such time as said reimbursement has been made, said bridge shall thereafter be maintained and operated by the state highway commissioner as a free bridge.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952;—Am. 1953, Act 141, Imd. Eff. May 29, 1953.

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### 254.318 Mackinac bridge authority; grants or donations.

Sec. 8. The authority may accept from the United States of America and any department, agency or instrumentality thereof, and from the state of Michigan and any department, agency or instrumentality thereof, grants for or in aid of the construction of the bridge and may enter into any lawful contracts or agreements necessary to obtain such grants. Such grants may consist of money, real or personal property or other things of value. The authority may also accept grants or donations from municipal corporations, counties or other political subdivisions of the state of Michigan and from any other source. The state highway department is hereby authorized and instructed to cooperate to the fullest extent possible with the authority in the construction of the bridge and in the securing of all grants and aids thereto which may be available for such purpose.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

### 254.319 Unauthorized indebtedness to state.

Sec. 9. Nothing in this act shall be so construed or interpreted as to authorize or permit the incurring of indebtedness of the state of Michigan contrary to the provisions of the constitution of the state.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

### 254.320 Scope of act.

Sec. 10. This act shall be deemed to provide an additional and alternative method for the doing of the things herein authorized and shall be regarded as supplemental and additional to powers conferred by other laws.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

### 254.321 Board and state highway department; authority.

Sec. 11. All things herein authorized to be done by the authority and the board and by the state highway department may be done without the securing of approval or consent from any other board, department, agency or officer, except as herein otherwise provided, and no proceedings therefor shall be required or be necessary other than the adoption of appropriate resolutions.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

### 254.322 Use of bridge; payment of tolls; authorized emergency vehicles; violation as misdemeanor; penalty.


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Sec. 12. Except as provided in this section, all individuals or vehicles using the bridge shall pay tolls and charges established by the authority. The authority shall not charge tolls or charges to its own personnel or vehicles while the personnel are on duty or while the vehicles are being used for authority business. Beginning October 1, 2003, the authority shall not charge tolls or charges to authorized emergency vehicles that are in the process of responding to an emergency. As used in this section, “authorized emergency vehicles” means that term as defined in section 2 of the Michigan vehicle code, 1949 PA 300, MCL 257.2. Beginning November 1, 2004, a violation of this section by failure to pay toll is a misdemeanor punishable by imprisonment for not more than 30 days or a fine of not more than $500.00, or both.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952;—Am. 2003, Act 176, Imd. Eff. Aug. 25, 2003;—Am. 2004, Act 336, Imd. Eff. Sept. 23, 2004.

### 254.323 Federal government approvals.

Sec. 13. The authority is authorized to do all things and perform all acts necessary to secure the consent, if necessary, of the United States government, to the construction and operation of the bridge and charging of tolls for its use, and to secure the approval of any department, agency, instrumentality or officer of the United States government required by law to approve the plans, specifications and location of the bridge, or the tolls to be charged for the use thereof.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

### 254.324 Mackinac Straits corridor authority; definitions.

Sec. 14. As used in this section and sections 14a to 14e:

(a) "Corridor authority board" means the board of directors of the Mackinac Straits corridor authority appointed under section 14b.

(b) "Mackinac Straits corridor authority" means the Mackinac Straits corridor authority created in section 14b.

(c) "Straits protection fund" means the fund created in section 14c.

(d) "Tunnel agreement" means an agreement or series of agreements described in section 14d.

(e) "Utility tunnel" means a tunnel joining and connecting the Upper and Lower Peninsulas of this state at the Straits of Mackinac for the purpose of accommodating utility infrastructure, including, but not limited to, pipelines, electric transmission lines, facilities for the transmission of data and telecommunications, all useful and related facilities, equipment, and structures, and all necessary tangible or intangible real and personal property, licenses, franchises, easements, and rights-of-way.

**History:** Add. 2018, Act 359, Imd. Eff. Dec. 12, 2018.

**Compiler's note:** Former MCL 254.324, which pertained to engineering services, was repealed by Act 331 of 2005, Imd. Eff. Dec. 28, 2005.

### 254.324a Mackinac bridge authority; utility tunnel; service rates; duties; powers; property exempt from taxes.

Sec. 14a. (1) The Mackinac bridge authority may acquire, construct, operate, maintain, improve, repair, and manage a utility tunnel. The Mackinac bridge authority shall determine the rates charged for the services offered by the utility tunnel. The Mackinac bridge authority may enter into contracts or agreements necessary to perform its duties and powers under this act, including, but not limited to, leasing the right to use a utility tunnel on terms and for consideration determined by the Mackinac bridge authority. This subsection does not authorize the Mackinac bridge authority to incur obligations that would constitute an indebtedness of this state contrary to the state constitution of 1963.

(2) The Mackinac bridge authority may purchase or otherwise acquire at a fair and reasonable price property and property rights in connection with the construction of a utility tunnel, including, but not limited to, roads, structures, rights-of-way, franchises, easements, and other interests in land, including land under water; the riparian rights of any person; and the right to cut off light, air, and access to real property.

(3) The Mackinac bridge authority may enter on any public land, water, or premises to make a survey, sounding, or examination in connection with the construction of a utility tunnel. The Mackinac bridge authority has the right to use and full easements and rights-of-way through, across, under, and over any lands or property owned by this state or in which this state has any right, title, or interest, without consideration, that may be necessary or convenient to the construction and efficient operation of the utility tunnel.

(4) The Mackinac bridge authority may perform all acts necessary to secure the consent of any department, agency, instrumentality, or officer of the United States government or this state to the construction and operation of a utility tunnel and the charging of fees for its use, and to secure the approval of any department, agency, instrumentality, or officer of the United States government or this state required by law to approve the

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plans, specifications, and location of the utility tunnel or the fees to be charged for the use of the utility tunnel.

(5) The carrying out of the Mackinac bridge authority's purposes, including a utility tunnel, are for the benefit of the people of this state and constitute a public purpose, and the Mackinac bridge authority is performing an essential government function in the exercise of the powers conferred upon it by this act. All property owned by the Mackinac bridge authority related to a utility tunnel is exempt from all taxes levied by this state and all of its political subdivisions and taxing districts, and the Mackinac bridge authority is not required to pay taxes or assessments upon its activities or upon any of its revenues. If a tax of any nature is legally imposed on any property or obligation of the Mackinac bridge authority in connection with a utility tunnel, and that tax is determined to be valid and effective, the tax shall be paid from the revenues of the Mackinac bridge authority as an expense of maintaining and operating the utility tunnel. Real property or personal property owned or used by an entity leasing or otherwise using the utility tunnel is not exempt from taxation.

**History:** Add. 2018, Act 359, Imd. Eff. Dec. 12, 2018.

### 254.324b Mackinac Straits corridor authority; duties; corridor authority board; members; terms; powers.

Sec. 14b. (1) The Mackinac Straits corridor authority is created within the state transportation department. The Mackinac Straits corridor authority is a state institution within the meaning of section 9 of article II of the state constitution of 1963, and an instrumentality of this state exercising public and essential governmental functions. The creation of the Mackinac Straits corridor authority and the carrying out of the Mackinac Straits corridor authority's authorized purposes are public and essential governmental purposes for the benefit of the people of this state and for the improvement of the health, safety, welfare, comfort, and security of the people of this state, and these purposes are public purposes. The Mackinac Straits corridor authority will be performing an essential governmental function in the exercise of the powers conferred upon it by this act.

(2) The Mackinac Straits corridor authority shall exercise its duties through the corridor authority board. The corridor authority board shall consist of 3 members appointed by the governor with the advice and consent of the senate. No more than 2 of the corridor authority board members shall be members of the same political party. Members of the corridor authority board shall serve for terms of 6 years or until a successor is appointed and qualified, whichever is later.

(3) If a vacancy occurs on the corridor authority board, the governor, with the advice and consent of the senate, shall make an appointment for the unexpired term in the same manner as the original appointment.

(4) At the first meeting of the corridor authority board, the corridor authority board shall elect from among its members a chairperson. After the first meeting, the corridor authority board shall meet at the call of the chairperson or if requested by a majority of the members.

(5) A majority of the members of the corridor authority board constitute a quorum for the transaction of business at a meeting of the board. A majority of the members present and serving are required for official action of the corridor authority board.

(6) Members of the corridor authority board shall serve without compensation. However, members of the corridor authority board shall be reimbursed for their actual and necessary expenses incurred in the performance of their official duties as members of the corridor authority board, unless they decline to accept reimbursement.

(7) The members of the corridor authority board and any agent of the Mackinac Straits corridor authority are subject to 1968 PA 317, MCL 15.321 to 15.330, and 1968 PA 318, MCL 15.301 to 15.310.

(8) An individual who is a member of the Mackinac bridge authority board shall not serve as a member of the corridor authority board during his or her term as a member of the Mackinac bridge authority board.

(9) The business that the corridor authority board may perform shall be conducted at a public meeting of the corridor authority board held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(10) A writing prepared, owned, used, in the possession of, or retained by the corridor authority board in the performance of an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(11) The Mackinac Straits corridor authority does not possess any powers not explicitly granted to it under this act, including, but not limited to, the power of eminent domain.

**History:** Add. 2018, Act 359, Imd. Eff. Dec. 12, 2018.

### 254.324c Straits protection fund.

Sec. 14c. (1) The straits protection fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the straits

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protection fund. The state treasurer shall direct the investment of the straits protection fund. The state treasurer shall credit to the straits protection fund interest and earnings from fund investments.

(3) Money in the straits protection fund at the close of the fiscal year shall remain in the straits protection fund and shall not lapse to the general fund.

(4) The state transportation department shall be the administrator of the fund for auditing purposes.

**History:** Add. 2018, Act 359, Imd. Eff. Dec. 12, 2018.

### 254.324d Transfer of funds, duties, and powers related to utility tunnel to corridor authority board; report; tunnel agreement; findings required; representation by attorney general.

Sec. 14d. (1) All liabilities, duties, responsibilities, authorities, and powers related to a utility tunnel as provided in section 14a and any money in the straits protection fund shall transfer to the corridor authority board upon the appointment of the members of the corridor authority board under section 14b(2). The transfer of duties, responsibilities, authorities, powers, and money described in this subsection does not require any action by the Mackinac bridge authority or any other entity. The corridor authority board shall exercise its duties independently of the state transportation department and the Mackinac bridge authority.

(2) The corridor authority board shall provide a report to the Mackinac bridge authority and the director of the state transportation department at least 1 time per year regarding aspects of the utility tunnel that could affect the Mackinac bridge authority, including, but not limited to, the progress of construction and utility leasing.

(3) The operation of a utility tunnel, including, but not limited to, the leasing of space in the utility tunnel to a utility, is not competition with the bridge.

(4) Except as provided in subdivision (a), no later than December 31, 2018, the Mackinac Straits corridor authority shall enter into an agreement or a series of agreements for the construction, maintenance, operation, and decommissioning of a utility tunnel, if the Mackinac Straits corridor authority finds all of the following:

(a) That the governor has supplied a proposed tunnel agreement to the Mackinac Straits corridor authority on or before December 21, 2018. If the governor has not supplied a proposed tunnel agreement to the Mackinac Straits corridor authority on or before December 21, 2018, the Mackinac Straits corridor authority shall act on the proposed tunnel agreement no later than 45 days after the date the proposed agreement is presented.

(b) That the proposed tunnel agreement allows for the use of the utility tunnel by multiple utilities, provides an option to better connect the Upper and Lower Peninsulas of this state, and provides a route to allow utilities to be laid without future disturbance to the bottomlands of the Straits of Mackinac.

(c) That the proposed tunnel agreement requires gathering of geotechnical information before construction to ensure that construction of a utility tunnel is feasible.

(d) That the proposed tunnel agreement provides the Mackinac Straits corridor authority with a mechanism to ensure that a utility tunnel is built to sufficient technical specifications and maintained properly to ensure a long asset life and secondary containment for any leak or pollution from utilities using the tunnel.

(e) That the proposed tunnel agreement does not require any obligation of funds that is inconsistent with this act, and that the proposed tunnel agreement provides a mechanism under which all costs of construction, maintenance, operation, and decommissioning of the utility tunnel are borne by a private party and not by the Mackinac Straits corridor authority, its predecessor, or a successor. This subdivision does not prevent the expenditure of money from the straits protection fund for the cost of independent oversight of the utility tunnel or the leasing of space in the utility tunnel to publicly-owned entities.

(f) That the proposed tunnel agreement does not require the use of the power of eminent domain.

(g) That the proposed tunnel agreement does not exempt any entity that constructs or uses the utility tunnel from the obligation to obtain any required governmental permits or approvals for the construction or use of the utility tunnel.

(h) That the proposed tunnel agreement does not exempt an entity using the utility tunnel from the payment of a tax or similar obligation.

(i) That the proposed tunnel agreement does not require the Mackinac Straits corridor authority to bring or defend a legal claim for which the attorney general is not required to provide counsel.

(j) That the proposed tunnel agreement requires that for any leasing of space for facilities for the transmission of data and telecommunications that the Mackinac bridge authority shall be reimbursed for any and all loss of net profit from the leasing of space for facilities for the transmission of data and telecommunications.

(k) That the proposed tunnel agreement requires the development of a plan on how to engage this state's labor pool in the project, including the means and methods for recruitment, training, and utilization.

(5) If the attorney general declines to represent the Mackinac bridge authority or the Mackinac Straits

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corridor authority in a matter related to the utility tunnel, the attorney general shall provide for the costs of representation by an attorney licensed to practice in this state chosen by the Mackinac bridge authority or the Mackinac Straits corridor authority, as applicable. As used in this subsection, "matter related to the utility tunnel" includes, but is not limited to, 1 or more of the following:

(a) A claim seeking a judicial determination that the tunnel agreement is legally invalid.

(b) A claim seeking to enjoin performance under the tunnel agreement.

(c) A claim challenging the validity of any governmental approval or permit granted based upon an application submitted singly or jointly by the Mackinac Straits corridor authority.

(d) A claim challenging a governmental entity's denial of a governmental approval or permit submitted singly or jointly by the Mackinac Straits utility tunnel authority.

(e) A claim challenging the right to use any land of this state for which the Mackinac bridge authority or the Mackinac Straits corridor authority was granted the right to use.

(f) A claim alleging a failure to perform under the tunnel agreement that limits 1 of the following:

(*i*) The use of the utility tunnel.

(*ii*) The ability to operate the utility infrastructure within the utility tunnel, if the utility is in full compliance with the terms of a lease granted by the Mackinac Straits corridor authority.

(g) A claim challenging the validity of or seeking to enjoin the issuance of any approval regarding the utility tunnel.

(6) Any administrative functions of the Mackinac Straits corridor authority shall be performed under the direction and supervision of the state transportation department.

**History:** Add. 2018, Act 359, Imd. Eff. Dec. 12, 2018.

### 254.324e Funding from any source other than straits protection fund; agreement to accept liability of utility equipment by user of utility tunnel; prohibited.

Sec. 14e. (1) Neither the Mackinac bridge authority nor the Mackinac Straits corridor authority may pay or obligate any money or assets related to the utility tunnel except money that is deposited into the straits protection fund or any escrow or reserve fund created under the tunnel agreement. This state, a state official, a state-related entity, the Mackinac bridge authority or an agent of the Mackinac bridge authority, the Mackinac Straits corridor authority or an agent of the Mackinac Straits corridor authority, or any other legal, financial, or other expert providing advice to the Mackinac bridge authority or the Mackinac Straits corridor authority shall not enter into an agreement for the payment of money from any source other than the straits protection fund or any escrow or reserve fund created under the tunnel agreement. This subsection does not restrict the right of the Mackinac bridge authority or the Mackinac Straits corridor authority to utilize any property rights granted to the Mackinac bridge authority or the Mackinac Straits corridor authority by this state or a private property owner.

(2) This state, a state official, a state-related entity, the Mackinac bridge authority or an agent of the Mackinac bridge authority, the Mackinac Straits corridor authority or an agent of the Mackinac Straits corridor authority, or any other legal, financial, or other expert providing advice to the Mackinac bridge authority or the Mackinac Straits corridor authority shall not enter into an agreement to accept any liability for or resulting from the installation, maintenance, operation, or decommissioning of any utility equipment owned by the user of a utility tunnel, including, but not limited to, a pipeline, electrical transmission line, or broadband cable within the utility tunnel.

**History:** Add. 2018, Act 359, Imd. Eff. Dec. 12, 2018.

### 254.325 Construction of act.

Sec. 15. This act being deemed necessary to the public health, welfare, convenience and prosperity, it shall be liberally construed to effect the intents and purposes hereof.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

### 254.326 Contracts, books, maps; delivery to authority.

Sec. 16. The state highway department shall transfer and deliver to the authority all contracts, books, maps, plans, papers and records or certified copies thereof, pertaining to the subjects and matters relating to the designing and construction of the bridge, and particularly all such records, maps and papers which may have been turned over to the state highway department under Act No. 300 of the Public Acts of 1947.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

### 254.327 Declared public purpose; tax exemption.

Sec. 17. It is hereby found, determined and declared that the creation of the authority and the carrying out

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of its corporate purposes are in all respects for the benefit of the people of the state and constitute a public purpose, and that the bridge is an essential part of the public highway system of the state and that the authority will be performing an essential governmental function in the exercise of the powers herein conferred upon it. Therefore, all property owned by the authority hereunder shall be exempt from all taxes levied by the state of Michigan and all of its political subdivisions and taxing districts, and the authority shall be required to pay no taxes or assessments upon its activities or upon any of its revenues. If at any time hereafter any taxes of any nature shall be legally imposed on any properties of the authority or the obligations thereof, and such taxes shall be determined to be valid and effective, they shall be paid from the revenues of the authority as 1 of the expenses of maintaining and operating the bridge.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

### 254.328 Authority's rights not limited or altered; competitive vehicular traffic services.

Sec. 18. The state of Michigan hereby pledges to and agrees with the holders of the bonds that the state will not limit or alter the rights hereby vested in the authority to construct, maintain and operate the bridge and to establish and collect such charges and tolls as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation and to fulfill the terms of any agreements made with the holders of the bonds or in any way impair the rights and remedies of the bondholders until the bonds and interest thereon and all costs and expenses in connection with any action or proceedings by and in behalf of the bondholders shall have been fully met and discharged.

The state of Michigan further covenants and agrees with the holders of the bonds that it will not construct or operate any tunnel, bridge or ferry service which will be competitive with the bridge herein authorized, and so far as legally possible it will prohibit the construction or operation of any other tunnel, bridge or ferry service which will afford facilities for vehicular traffic to cross the straits of Mackinac: Provided, That nothing herein contained shall be construed to prevent the operation of ferries by the state highway department between the upper and lower peninsulas until such time as the bridge shall have been placed in operation.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

### 254.329 Bondholders' rights; enforcement actions.

Sec. 19. Any holder or holders of bonds, including a trustee or trustees for such holders, shall have the right in addition to all other remedies to bring suit by mandamus or other action in any court of competent jurisdiction against the authority and its officers and employees and against officers and employees of the state to enforce his or their rights under the proceedings authorizing the bonds and to enforce all agreements and covenants contained in the bond resolution or trust indenture. The right to bring such action may be limited by the terms of the bond resolution or trust indenture to any percentage of bondholders which may be therein fixed. Such action may be in equity to require the authority to act as if it were the trustee of an express trust for the holders of such bonds, may be a request for injunction or mandamus or may request, and the bondholders shall be entitled as of right to, the appointment of a receiver for the bridge, and such receiver may enter and take possession thereof and of all moneys and other property of the authority and may proceed with the construction of the bridge, if it shall not have been completed, and may operate and maintain the bridge and collect and receive all tolls and other revenues thereafter arising therefrom, subject to any pledge thereof or agreement with bondholders relating thereto, and may perform the public duties and carry out the agreements and obligations of the authority, all in such manner as the court may direct.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

### 254.330 Operation of ferries.

Sec. 20. The authority may, if it sees fit, at any time, when for any reason the bridge may be out of service, acquire through purchase, lease or otherwise and operate 1 or more ferries for the purpose of conveying passengers and freight between the upper and lower peninsulas, in which event the cost thereof may be paid from the revenues of the authority, including, unless prohibited by the terms of the proceedings authorizing the bonds, the proceeds of the sale of bonds hereunder, and all revenues derived from the operation of such ferries shall be regarded and treated as revenues of the bridge for all purposes of this act.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

### 254.331 Inconsistent acts.

Sec. 21. Insofar as the provisions of this act may be inconsistent with the provisions of any other act, general or special, the provisions of this act shall be controlling.

**History:** 1952, Act 214, Imd. Eff. Apr. 30, 1952.

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**254.332 Expenditure of funds for construction of state police post; lease agreement; payments; expiration or termination of lease; use.**

Sec. 22. (1) The authority may expend not more than $995,000.00 from funds under its jurisdiction to construct a building and lease it to the department of state police for use as a regional state police post. The building shall be located on authority owned property adjacent to the north terminal of the bridge.

(2) The authority shall not construct a building pursuant to this section until the authority and the department of state police enter into a lease agreement that contains all of the following terms:

(a) A provision that the building be used for a regional state police post.

(b) A provision that the initial term of the lease shall be 10 years, with renewals as agreed to by the authority and department of state police.

(c) A provision that the lease amount be equivalent to the fair market lease value of the leased building. However, the lease may provide for a reduction in the lease amount equivalent to the reasonable cost incurred by the department of state police in providing a certain level of law enforcement services incident to the operation of the bridge.

(d) Except as otherwise agreed by the authority and department of state police, a requirement that the department of state police pay the costs of maintaining the building in reasonable repair.

(e) Any other terms that may be agreed to by the authority and the department of state police regarding the use of the building.

(3) Lease payments that are received by the authority under a lease agreement entered into pursuant to subsection (2) shall be regarded and treated as revenues of the bridge for all purposes under this act.

(4) Upon the expiration or termination of a lease agreement entered into pursuant to subsection (2), the authority may use the building for any reasonable purpose in carrying out its duties under this act.

**History:** Add. 1992, Act 120, Imd. Eff. June 26, 1992.

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