MACKINAC BRIDGE AUTHORITY (EXCERPT)
Act 214 of 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. 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.