

# HOUSE BILL No. 5018

July 28, 1989, Introduced by Reps. Hood and Hertel and referred to the Committee on Marine Affairs and Port Development.

A bill to amend sections 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 23, and 24 of Act No. 639 of the Public Acts of 1978, entitled

"Hertel-Law-T. Stopczynski port authority act,"

sections 14 and 18 as amended by Act No. 23 of the Public Acts of 1983 and section 23 as amended by Act No. 256 of the Public Acts of 1984, being sections 120.102, 120.103, 120.104, 120.105, 120.106, 120.108, 120.109, 120.110, 120.111, 120.112, 120.113, 120.114, 120.115, 120.116, 120.118, 120.123, and 120.124 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13,  
2 14, 15, 16, 18, 23, and 24 of Act No. 639 of the Public Acts of  
3 1978, sections 14 and 18 as amended by Act No. 23 of the Public  
4 Acts of 1983 and section 23 as amended by Act No. 256 of the

1 Public Acts of 1984, being sections 120.102, 120.103, 120.104,  
2 120.105, 120.106, 120.108, 120.109, 120.110, 120.111, 120.112,  
3 120.113, 120.114, 120.115, 120.116, 120.118, 120.123, and 120.124  
4 of the Michigan Compiled Laws, are amended to read as follows:

5       Sec. 2. As used in this act:

6       (a) "Authority" means a port authority created under this  
7 act and may also include the area within the jurisdiction of an  
8 authority.

9       (b) "Constituent unit" means a city or county requesting the  
10 incorporation of an authority.

11       (c) "Governing body of the city" means the city council or  
12 city commission of a city requesting incorporation of an author-  
13 ity created under this act.

14       (d) "Governing body of the county" means the county board of  
15 commissioners of a county participating in an authority created  
16 under this act.

17       (e) "Port facilities" means ~~those facilities owned by the~~  
18 ~~port authority~~ such as: seawall jetties; piers; wharves; docks;  
19 boat landings; marinas; MARKETS; warehouses; storehouses; eleva-  
20 tors; grain bins; cold storage plants; terminal icing plants;  
21 bunkers; oil tanks; ferries; canals; locks; bridges; RAILROAD  
22 CONNECTIONS; SIDETRACKS; SIDINGS; tunnels; seaways; conveyors;  
23 modern appliances for the economical handling, storage, and  
24 transportation of freight and handling of passenger traffic;  
25 transfer and terminal facilities; ~~required for the efficient~~  
26 ~~operation and development of ports and harbors,~~ other harbor  
27 improvements; ~~or~~ improvements, enlargements, remodeling, or

1 extensions of any of ~~these~~ THE ABOVE buildings or structures;  
2 OR ANY OTHER PROPERTY OR FACILITIES NECESSARY OR USEFUL IN CON-  
3 NECTION WITH THE FOREGOING THAT ARE UPON, IN, OVER, UNDER, ADJA-  
4 CENT, OR NEAR TO, NAVIGABLE WATERS AND THAT ARE NECESSARY OR  
5 USEFUL FOR THE FURTHERANCE OF WATER OR LAND COMMERCE.

6 (f) "Project" means the acquisition, purchase, construction,  
7 reconstruction, rehabilitation, remodeling, improvement, enlarge-  
8 ment, repair, condemnation, maintenance, or operation of port  
9 facilities.

10 Sec. 3. ~~An~~ EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, AN  
11 authority may exercise and apply any or all of its powers and  
12 duties, as prescribed and set forth in this act, within the  
13 respective boundaries of the county or counties creating a port  
14 authority under this act, including jurisdiction over commer-  
15 cially navigable water lying ~~therein~~ WITHIN THOSE BOUNDARIES.

16 Sec. 4. (1) A city, ~~and~~ A county, a combination of  
17 counties, or a combination consisting of at least 1 city and 1  
18 county, BY RESOLUTION OF THE GOVERNING BODY OR by joint resolu-  
19 tion of their respective governing bodies, may request the gover-  
20 nor to authorize the incorporation of an authority. The governor  
21 shall consider the recommendations of the ~~department of~~ state  
22 ~~highways and~~ transportation DEPARTMENT and the department of  
23 commerce in authorizing the authority. The initial articles of  
24 incorporation shall be approved by the governor and may  
25 ~~thereafter~~ THEN be amended by resolution of the authority,  
26 subject to approval by the governor. After approval by the  
27 governor, the articles of incorporation and any amendments to

1 those articles shall be effective upon filing with the secretary  
2 of state.

3 (2) An authority created under this act shall be a body cor-  
4 porate and politic. NOT MORE THAN 1 AUTHORITY SHALL BE CREATED  
5 WITHIN THE BOUNDARIES OF A CITY, COUNTY, COMBINATION OF COUNTIES,  
6 OR COMBINATION OF AT LEAST 1 CITY AND 1 COUNTY.

7 (3) The exercise by an authority of the powers conferred by  
8 this act shall be considered and held to be an essential govern-  
9 mental function and a benefit to, and a legitimate public purpose  
10 of, the state, the authority, and the constituent units.

11 Sec. 5. (1) Except as provided in subsection (5), an  
12 authority shall consist of 5 or 7 members as follows:

13 (a) One member shall be appointed by the governor OF THIS  
14 STATE.

15 (b) The remaining members shall be appointed by the govern-  
16 ing body of each city and the governing body of each county that  
17 requested the incorporation of the authority. The representation  
18 on, and the number of members of, the authority shall be deter-  
19 mined by agreement among the incorporating units and included  
20 within the joint resolution requesting incorporation of the  
21 authority.

22 (2) The members first appointed shall serve staggered  
23 terms. Thereafter, each member shall serve for a term of 4  
24 years, except that a person appointed to fill a vacancy shall be  
25 appointed for the balance of the unexpired term. A member shall  
26 be eligible for reappointment.

1       (3) The members shall elect 1 of their membership as  
2 chairperson and another as vice-chairperson, shall designate  
3 their terms of office, and shall appoint a secretary-treasurer  
4 who need not be a member. A majority of the members of the  
5 authority shall constitute a quorum, the affirmative vote of  
6 which shall be necessary for any action taken by the authority.  
7 ~~However, the authority shall not commit funds of a constituent~~  
8 ~~entity without the concurrence of the member representing that~~  
9 ~~entity. A unanimous vote of the members of the authority, which~~  
10 ~~may be accomplished by written consent of an absent member, shall~~  
11 ~~be required to approve an operating budget or capital outlay.~~

12       (4) The members shall serve without compensation but shall  
13 be reimbursed for all necessary travel and other expenses  
14 incurred in the discharge of their duties.

15       (5) An authority ~~which~~ THAT is established in a county  
16 having a population of ~~2,000,000~~ 1,500,000 or more shall con-  
17 sist of ~~5~~ 7 members as follows:

18       (a) One member shall be appointed by the governor OF THIS  
19 STATE..

20       (b) ~~Two members~~ ONE MEMBER shall be appointed by ~~a major~~  
21 ~~ity of all the members~~ THE COUNTY EXECUTIVE OR THE CHAIRPERSON  
22 of the county board of commissioners IF THERE IS NO COUNTY  
23 EXECUTIVE of the county IN WHICH THE PRINCIPAL OFFICE OF THE  
24 AUTHORITY IS LOCATED. ~~The members appointed shall be nominated~~  
25 ~~by the commissioners on the board who do not reside within the~~  
26 ~~political boundaries of a city having a population of 1,000,000~~

1 ~~or more.~~ THE APPOINTMENT IS SUBJECT TO THE APPROVAL OF THE  
2 LEGISLATIVE BODY OF THE COUNTY.

3 (C) ONE MEMBER SHALL BE APPOINTED BY THE COUNTY EXECUTIVE OR  
4 THE CHAIRPERSON OF THE COUNTY BOARD OF COMMISSIONERS IF THERE IS  
5 NO COUNTY EXECUTIVE OF A COUNTY THAT IS ADJACENT TO THE COUNTY  
6 DESCRIBED IN SUBDIVISION (B), THAT ABUTS NAVIGABLE WATERS, AND  
7 THAT HAS A POPULATION OF 600,000 OR MORE. THE APPOINTMENT IS  
8 SUBJECT TO THE APPROVAL OF THE LEGISLATIVE BODY OF THE COUNTY.

9 (D) ~~(c) Two~~ FOUR members shall be appointed by the mayor  
10 of a city having a population of ~~+1,000,000~~ 750,000 or more  
11 which is located in the county IN WHICH THE PRINCIPAL OFFICE OF  
12 THE AUTHORITY IS LOCATED.

13 (6) MEMBERS OF THE AUTHORITY ARE IMMUNE FROM PERSONAL  
14 LIABILITY IN THE EXERCISE OF THE POWERS CONTAINED IN THIS ACT TO  
15 THE SAME EXTENT PROVIDED FOR IN ACT NO. 170 OF THE PUBLIC ACTS OF  
16 1987, BEING SECTIONS 450.2108 TO 450.2569 OF THE MICHIGAN  
17 COMPILED LAWS.

18 Sec. 6. Before the issuance of any bonds, notes, or other  
19 evidences of indebtedness under this act, the secretary-treasurer  
20 of an authority shall execute a bond in the penal sum of  
21 \$100,000.00, conditioned upon the faithful performance of the  
22 duties of the office and executed by a surety company authorized  
23 to transact business in this state as surety, UNLESS THIS  
24 REQUIREMENT IS WAIVED BY A RESOLUTION ADOPTED BY THE MEMBERS OF  
25 THE AUTHORITY. The bond shall be filed in the office of the sec-  
26 retary of state. The premium of the bond shall be a current  
27 expense of the authority.

1       Sec. 8. An authority may:

2       (a) Adopt, amend, and repeal bylaws for the regulation of  
3 its affairs and the conduct of its business.

4       (b) Sue and be sued on the same basis as the state; ~~and~~  
5 adopt and register with the secretary of state an official seal  
6 and alter that seal at its pleasure; AND CREATE OR PARTICIPATE IN  
7 ENTITIES OR INSTRUMENTALITIES CREATED TO EFFECTUATE THE PURPOSES  
8 OF THE AUTHORITY AND THIS ACT.

9       (c) Maintain offices at a place or places, either within or  
10 without its jurisdiction as it may determine.

11       (d) Acquire, OWN, construct, reconstruct, rehabilitate,  
12 improve, maintain, lease as lessor or as lessee, repair, or  
13 operate, OR ANY COMBINATION OF THESE, THE port facilities within  
14 its territorial jurisdiction AND AN ADJACENT TERRITORIAL JURIS-  
15 DICTION OR JURISDICTIONS IN CONCERT WITH THE GOVERNING BODY OF  
16 THAT JURISDICTION OR JURISDICTIONS PURSUANT TO ACT NO. 7 OF THE  
17 PUBLIC ACTS OF THE EXTRA SESSION OF 1967, BEING SECTIONS 124.501  
18 TO 124.512 OF THE MICHIGAN COMPILED LAWS, including the dredging  
19 of ship channels and turning basins and the filling and grading  
20 of land ~~therefor~~ FOR THESE PURPOSES. An authority may operate  
21 a leased facility, owned by the authority, if the lessee defaults  
22 and a new lease is negotiated or competitively bid.

23       (e) Designate the location and character of the port facili-  
24 ties ~~which~~ THAT the authority may hold, CONTROL, or own or over  
25 which it is authorized to act and regulate all matters related to  
26 the location and character of those port facilities.

1 (f) Acquire, hold, and dispose of real and personal property  
2 WITHIN OR WITHOUT THE AUTHORITY'S TERRITORIAL JURISDICTION.

3 (g) Make directly, or through the hiring of expert consul-  
4 tants, investigations and surveys of whatever nature, including  
5 studies of business conditions, freight rates, port services,  
6 physical surveys of the conditions of channels and structures,  
7 and the necessity for additional port facilities for the develop-  
8 ment and improvement of commerce and recreation and for the more  
9 expeditious handling of that commerce and recreation, and make  
10 studies, surveys, and estimates, as necessary for the execution  
11 of its powers under this act.

12 (h) Promulgate all necessary rules to fulfill the purposes  
13 of this act.

14 (i) Issue its bonds, notes, or other evidences of indebted-  
15 ness as provided in this act.

16 (j) Fix and revise from time to time and charge and collect  
17 rates, fees, rentals, or other charges for the use of ~~a~~ ANY  
18 PORT facility ~~owned by~~ THAT the authority IS AUTHORIZED TO  
19 ACQUIRE OR IN WHICH THE AUTHORITY HAS AN INTEREST.

20 (K) PROVIDE AND OPERATE INTEGRATED LOGISTIC SERVICES,  
21 INCLUDING, BUT NOT LIMITED TO, PACKAGING, TRANSPORTATION, WARE-  
22 HOUSING, FREIGHT MANAGEMENT, SHIPPING, AND INFORMATION AND CUS-  
23 TOMS BROKERAGE SERVICES, FOR MANUFACTURERS AND SHIPPERS OF GOODS  
24 WHO USE PORT FACILITIES OWNED, LEASED, OR OPERATED BY THE AUTHOR-  
25 ITY OR PORT FACILITIES IN WHICH THE AUTHORITY HAS AN INTEREST AND  
26 ESTABLISH THOSE ENTITIES THAT ARE NECESSARY OR DESIRABLE TO



1 PROVIDE OR OPERATE THOSE SERVICES IN CONNECTION WITH PORT  
2 FACILITIES.

3 (L) MAKE LOANS AND EXTEND CREDIT IN THE AMOUNTS AND ON THE  
4 TERMS THE AUTHORITY DETERMINES.

5 (M) APPLY FOR, RECEIVE, AND MAINTAIN GRANTS OF AUTHORITY  
6 FROM THE UNITED STATES FOREIGN TRADE ZONE BOARD UNDER THE PROVI-  
7 SIONS OF THE FOREIGN TRADE ZONES ACT, 19 U.S.C. 81a TO 81u, OR  
8 ANY SUCCESSOR ACT.

9 Sec. 9. An authority may:

10 (a) Appear in its own behalf before boards, commissions,  
11 departments, or other agencies of the federal government, ~~or~~ of  
12 any state, or OF THE DOMINION OF CANADA OR ANY OF ITS PROVINCES,  
13 BEFORE international conferences, and before committees of the  
14 congress of the United States, ~~and~~ the state legislature, THE  
15 PARLIAMENT OF THE DOMINION OF CANADA, AND THE LEGISLATURE OF ANY  
16 PROVINCE OF THE DOMINION OF CANADA in all matters relating to the  
17 design, establishment, construction, extension, operation,  
18 improvement, repair, or maintenance of a project OWNED, IMPROVED,  
19 CONTROLLED, operated, ~~and~~ OR maintained by the authority under  
20 this act, and appear before any federal or state agencies OR  
21 AGENCIES OF THE DOMINION OF CANADA OR ANY OF ITS PROVINCES in  
22 matters relating to transportation rates, port services and  
23 charges, demurrage, switching, wharfage, towage, pilotage, dif-  
24 ferentials, discriminations, labor relations, trade practices,  
25 river and harbor improvements, aids to navigation, permits for  
26 structures in navigable waters, THE EXERCISE OF ANY POWER GRANTED  
27 TO AN AUTHORITY UNDER THIS ACT, and all other matters affecting

1 the physical development of, and the business interest of, the  
2 authority and those it serves.

3 (b) Make application for, receive, and accept from any fed-  
4 eral, state, or municipal agency, foundation, public or private  
5 agency, or individual, a grant or loan for, or in aid of, the  
6 planning, construction, operation, or financing of a port facili-  
7 ty; and receive and accept contributions from any source of  
8 money, property, labor, or other things of value, to be held,  
9 used, and applied for the purposes for which the grant or contri-  
10 bution may be made.

11 (c) Appoint an executive director who shall be the chief  
12 administrative officer of the authority, and to whom the author-  
13 ity may delegate any of its administrative powers and  
14 authorizations. During employment the executive director shall  
15 not have a financial interest in port facilities or projects over  
16 which the authority has jurisdiction or power or authorization to  
17 act.

18 (d) Employ personnel as is necessary and employ the services  
19 of private consultants and engineers, legal counsel, accountants,  
20 construction and financial experts, and other agents for render-  
21 ing professional and technical assistance and advice as may be  
22 necessary, and whose compensation, including the executive direc-  
23 tor, shall be determined by the authority.

24 Sec. 10. An authority may DO ALL OF THE FOLLOWING:

25 (a) Subject to the authority of the federal government and  
26 the state and with the agreement of the constituent units,  
27 provide for the preservation of navigation within its territorial

1 jurisdiction, including the establishment by regulation of lines  
2 beyond which piers, bulkheads, wharves, pilings, structures,  
3 obstructions, or extensions of any character may not be built,  
4 erected, constructed, or extended; provide by regulation for the  
5 stationing, anchoring, and movement of vessels or other water-  
6 craft; adopt rules to prevent material, refuse, or matter of any  
7 kind from being thrown into, deposited, or placed where it may  
8 fall, or be washed, into navigable waters under its jurisdiction;  
9 ascertain the depth and course of the channels of those navigable  
10 waters; erect and maintain, authorize the erection and mainte-  
11 nance of, and make rules respecting wharves, bulkheads, piers,  
12 and ~~piling~~ PILINGS, and the keeping of ~~the same~~ THOSE in  
13 repair ~~—~~ to prevent injury to navigation or health; regulate  
14 the use of wharves, docks, piers, bulkheads, or pilings ~~owned~~  
15 CONTROLLED by it OR IN WHICH IT HAS AN INTEREST; lease or rent  
16 the same, and impose and collect dockage from vessels and water-  
17 craft lying at, or using the same; and collect wharfage and other  
18 charges upon goods, wares, merchandise, or other articles landed  
19 at, shipped from, stored on, or passed over the same.

20 (b) Make and enter into contracts and agreements necessary  
21 or incidental to the performance of its duties and the execution  
22 of its powers under this act.

23 (c) Lay out, construct, acquire, operate, lease, sell, and  
24 convey planned industrial districts as a part of port facilities  
25 within its jurisdiction. ~~—, subject to the restrictions con-~~  
26 ~~tained in this act upon operation and ownership of port~~  
27 ~~facilities.~~

1 (d) Do all acts and things necessary or convenient to  
2 promote and increase commerce and recreation within its territo-  
3 rial jurisdiction and carry out the powers expressly granted and  
4 any powers implied or necessary for the exercise of the powers  
5 expressly granted in this act.

6 Sec. 11. Except with respect to docks or wharves owned,  
7 IMPROVED, controlled, ~~or~~ operated, OR MAINTAINED by ~~the~~ the  
8 authority, this act shall not be construed to impose a duty upon  
9 an authority to a person using its waters in regard to the safety  
10 thereof, or to render an authority liable for loss of life or  
11 injury or damage to person or property ~~by~~ by reason of an  
12 obstruction in, or unsafe condition of, any part of its waters,  
13 nor shall this act be construed to render the authority liable in  
14 damages or otherwise for an omission to pass or enforce a rule or  
15 resolution made under this act.

16 Sec. 12. (1) An authority may acquire by purchase or lease,  
17 when it considers the purchase or lease expedient, lands, struc-  
18 tures, property, rights, rights of way, franchises, easements,  
19 and other interests in lands as it considers necessary or conven-  
20 ient for the construction or operation of a project ~~upon~~ upon  
21 terms and at a price as considered reasonable and agreed upon  
22 between the authority and the owner thereof.

23 (2) An authority may acquire by condemnation lands, property  
24 rights, rights of way, franchises, easements, and other property,  
25 or parts thereof or rights therein, of a person, partnership,  
26 association, or corporation considered by the authority to be  
27 necessary for the construction or efficient operation of a

1 project. ~~However, a facility currently operated as a port~~  
2 ~~facility by a terminal operator or a facility owned or operated~~  
3 ~~by and for the exclusive use of the owner or operator and a~~  
4 ~~facility owned or operated by a common carrier or public utility~~  
5 ~~shall be exempt from this subsection.~~ The condemnation shall be  
6 made in the manner provided by Act No. 295 of the Public Acts of  
7 1966, as amended, being sections 213.361 to 213.391 of the  
8 Michigan Compiled Laws, OR THE UNIFORM CONDEMNATION PROCEDURES  
9 ACT, ACT NO. 87 OF THE PUBLIC ACTS OF 1980, BEING SECTIONS 213.51  
10 TO 213.77 OF THE MICHIGAN COMPILED LAWS, except where that proce-  
11 dure may be inconsistent with this act.

12 (3) An authority may sell or remove the buildings or other  
13 structures upon lands taken by the authority, and may sell or  
14 lease lands or rights or interest in lands or other property  
15 taken or purchased for the purposes of this act.

16 Sec. 13. (1) An authority and 1 or more constituent units  
17 may enter into a contract or contracts for the acquisition,  
18 improvement, enlargement, or extension of port facilities and for  
19 the payment of the cost thereof by the contracting constituent  
20 units, with interest, over a period of not more than 40 years.

21 (2) Each contracting constituent unit shall pledge its full  
22 faith and credit for the payment of its obligations under the  
23 contract IF APPROVED BY A MAJORITY OF THE ELECTORS VOTING ON THE  
24 QUESTION IN THE CONTRACTING CONSTITUENT UNIT. If the constituent  
25 unit has taxing power, each year it shall levy ~~a~~ THE APPROVED  
26 tax upon all real and personal property within the constituent  
27 unit, which may be imposed without limitation as to rate or

1 amount, to the extent necessary for the prompt payment of that  
2 part of the contract obligations ~~as shall~~ THAT fall due before  
3 the following year's tax collection. The tax shall be in addi-  
4 tion to any tax ~~which~~ THAT the contracting constituent unit may  
5 otherwise be authorized to levy and may be imposed without limi-  
6 tation as to rate or amount, but shall not be in excess of the  
7 rate or amount necessary to pay the contract obligation. If any  
8 contracting constituent unit at the time of its annual tax levy  
9 has on hand in cash any amount pledged to the payment of the cur-  
10 rent obligations for which the tax levy is to be made, ~~then~~ the  
11 annual tax levy may be reduced by that amount. For the purpose  
12 of obtaining the credit, funds may be raised by a contracting  
13 constituent unit in 1 or more of the following methods:

14 (a) By service charge to users of the facilities owned,  
15 IMPROVED, CONTROLLED, OPERATED, OR MAINTAINED by the port  
16 authority.

17 (b) By setting aside state collected funds disbursed to the  
18 contracting constituent unit.

19 (c) By special assessment upon lands benefited.

20 (d) By setting aside any other available money.

21 (3) A contracting constituent unit may agree to raise all or  
22 any part of its contract obligation by 1 or more of the methods  
23 enumerated in subsection (2) ~~which~~ THAT may be available. The  
24 various powers granted in this act to a constituent unit shall be  
25 exercised by its governing body.

26 (4) If a constituent unit, other than a county, operating  
27 under this act elects to raise money to pay all or a portion of

1 its share of the cost of a project by assessing the costs upon  
2 benefited lands, its governing body shall so determine by resolu-  
3 tion and fix the district therefor. The governing body shall  
4 then cause a special assessment roll to be prepared. ~~and there~~  
5 ~~after the proceedings in respect to~~ THE PROCEDURES REGARDING the  
6 special assessment roll and the making and collection of the spe-  
7 cial assessments on the roll ~~—~~ shall be in accordance with the  
8 provisions of the statute or charter governing special assess-  
9 ments in the constituent unit, except that the total assessment  
10 may be divided into any number of installments not exceeding 30,  
11 and any person assessed shall have the right at the hearing upon  
12 the special assessment roll to object to the special assessment  
13 district previously established.

14       Sec. 14. (1) An authority may provide by resolution for the  
15 issuance of revenue bonds of the authority for the purpose of  
16 providing funds for paying the cost of port facilities, or for  
17 paying the cost of an extension, enlargement, or improvement of a  
18 project then under the control of the authority. The bonds may  
19 be term bonds or serial bonds, or a combination ~~thereof~~ OF  
20 BOTH, and shall be issued, sold publicly or privately, and exe-  
21 cuted in a manner ~~as may be~~ determined by the authority. The  
22 bonds issued pursuant to this section shall bear interest at the  
23 rate provided in the municipal finance act, Act No. 202 of the  
24 Public Acts of 1943, as amended, being sections 131.1 to 139.3 of  
25 the Michigan Compiled Laws, payable ~~semiannually,~~ and ~~shall~~  
26 ~~mature~~ MATURING at a time or times, not exceeding 40 years after  
27 their date of issuance, as the authority may provide. Unless an

1 exception from prior approval is available pursuant to subsection  
2 (5), a bond issued under this act must first be approved by the  
3 municipal finance commission or its successor agency.

4       (2) When the authority considers refunding expedient, the  
5 authority may refund bonds by the issuance of new bonds, whether  
6 the bonds to be refunded have or have not matured. The refunding  
7 bonds shall be sold and the proceeds applied to the purchase,  
8 redemption, or payment of the bonds to be refunded. The proceeds  
9 of the bonds of each series issued pursuant to this section shall  
10 be paid to a trustee under a trust agreement securing the bonds  
11 and shall be disbursed in a manner and under restrictions as may  
12 be provided in the trust agreement.

13       (3) Revenue bonds issued pursuant to this section shall not  
14 be considered to constitute a debt of the state, ~~or~~ a political  
15 subdivision of the state, ~~or of~~ the authority, or any constitu-  
16 ent unit, or a pledge of the faith and credit of the state, ~~or~~  
17 a political subdivision of the state, ~~or of~~ the authority, or  
18 any constituent unit, but shall be payable solely from the reve-  
19 nues or income to be derived from the projects. The revenue  
20 bonds shall contain on their face a statement to the effect that  
21 the bonds and attached coupons are payable solely from revenues  
22 and are not a general obligation of the state, a political subdi-  
23 vision of the state, the authority, or a constituent unit, and  
24 neither the faith and credit nor the taxing power of the state, a  
25 political subdivision of the state, the authority, or a constitu-  
26 ent unit, is pledged to the payment of the principal of or the  
27 interest on the bonds.



1 (4) This act shall be construed as authorizing the issuance  
2 of revenue bonds under this act without submitting the question  
3 of issuance to the voters of the constituent units of the  
4 authority. ~~Except in the case of refunding bonds, the authority~~  
5 ~~shall publish a notice of intent to issue bonds. The notice~~  
6 ~~shall be directed to the electors of each of the constituent~~  
7 ~~units of the authority, and shall be published in a newspaper~~  
8 ~~which has general circulation in the territory of the authority,~~  
9 ~~and shall state the maximum amount of bonds to be issued, the~~  
10 ~~purpose of the bonds, source of payment, right of referendum on~~  
11 ~~the bonds, and other information the authority determines neces-~~  
12 ~~sary to adequately inform the electors of the nature of the~~  
13 ~~issue. If, within 90 days after the publication of the notice a~~  
14 ~~petition, signed by not less than 10% or 15,000 of the registered~~  
15 ~~electors, whichever is less, residing within the limits of all of~~  
16 ~~the constituent units of the authority, is filed with the clerk,~~  
17 ~~or other recording officer, of the county where the authority is~~  
18 ~~located, requesting a referendum upon the question of the issu-~~  
19 ~~ance of the bonds, then the bonds shall not be issued until~~  
20 ~~approved by the vote of a majority of the electors of all of the~~  
21 ~~constituent units of the authority taken as a whole and not indi-~~  
22 ~~vidually qualified to vote and voting on the bonds at a general~~  
23 ~~or special election. A special election called for this purpose~~  
24 ~~shall not be included in statutory or charter limitation as to~~  
25 ~~the number of special elections to be called within a period of~~  
26 ~~time. Signatures on the petition shall be verified by a person~~  
27 ~~under oath, as the actual signatures of the persons whose names~~

~~1 are signed to the petition, and the clerk, or other recording  
2 officer, of the county where the authority is located shall have  
3 the same power to reject signatures and petitions as city clerks  
4 pursuant to section 25 of Act No. 279 of the Public Acts of 1909,  
5 as amended, being section 117.25 of the Michigan Compiled Laws.  
6 The number of registered electors in any constituent unit of the  
7 authority shall be determined by the township or city registra-  
8 tion books, or both. Section 5 of Act No. 279 of the Public Acts  
9 of 1909, as amended, being section 117.5 of the Michigan Compiled  
10 Laws, relative to notice of intention to issue bonds, shall not  
11 apply to the authorization of the issuance of bonds under this  
12 act.~~

13       (5) The requirement of subsection (1) for obtaining the  
14 prior approval of the municipal finance commission or its succes-  
15 sor agency before issuing bonds under this act shall be subject  
16 to sections 10 and 11 of chapter III of Act No. 202 of the Public  
17 Acts of 1943, being sections 133.10 and 133.11 of the Michigan  
18 Compiled Laws, and the department of treasury shall have the same  
19 authority as provided by section 11 of Act No. 202 of the Public  
20 Acts of 1943 to issue an order providing or denying an exception  
21 from the prior approval required by subsection (1) for bonds  
22 authorized by this act.

23       Sec. 15. An authority shall determine the form of the bonds  
24 of each series issued pursuant to section 14, including any  
25 interest coupons to be attached ~~thereto~~ TO THE BONDS IF ANY,  
26 the date of the bonds, the denomination of the bonds, and the  
27 place of payment of principal and interest, which may be at any

1 bank or trust company within or without the state. The bonds of  
2 each series may be made redeemable before their maturity or matu-  
3 rities at the option of the authority ~~—~~ at a price and under  
4 the terms and conditions as may be fixed by the authority before  
5 issuance of the bonds. If an officer whose signature or a fac-  
6 simile of whose signature appears on any bonds or coupons ceases  
7 to be an officer before delivery of the bonds, the signature or  
8 facsimile shall ~~nevertheless~~ be valid and sufficient for all  
9 purposes ~~the same~~ as if the officer had remained in office  
10 until the delivery. The bonds may be issued in ~~coupon or in~~  
11 ~~registered form, or both, as the authority may determine, and~~  
12 ~~provision may be made for the registration of any coupon bonds as~~  
13 ~~to principal alone and also as to both principal and interest,~~  
14 ~~for the reconversion into coupon bonds of any bonds registered as~~  
15 ~~to both principal and interest, and for the interchange of coupon~~  
16 ~~and registered bonds~~ THE FORM THE AUTHORITY DETERMINES.

17       Sec. 16. Revenue bonds issued pursuant to this act ~~shall~~  
18 MAY be secured by a trust agreement by and between the authority  
19 and a corporate trustee, which may be any trust company or bank  
20 having the powers of a trust company, within or without the  
21 state. The trust agreement may pledge or assign the rentals and  
22 other revenues of the authority. ~~—, but shall not convey or~~  
23 ~~mortgage part or all of a project.~~ The trust agreement shall  
24 contain provisions for protecting and enforcing the rights and  
25 remedies of the bondholders as may be reasonable and proper and  
26 not in violation of law, including covenants setting forth the  
27 duties of the authority in relation to the acquisition or

1 construction of a project and the extension, enlargement,  
2 improvement, maintenance, operation, repair, and insurance of a  
3 project and the custody, safeguarding, and application of all  
4 money and may contain provisions for the employment of consulting  
5 engineers in connection with the construction and operation of a  
6 project. The trust agreement shall set forth the rights and rem-  
7 edies of the bondholders and of the trustee, ~~and~~ may restrict  
8 the individual right of action by the bondholders, and may con-  
9 tain any other provisions the authority may consider reasonable  
10 and proper for the security of the bondholders.

11       Sec. 18. (1) In addition to the bonds authorized in section  
12 14, bonds may be issued for the purpose of acquiring port facili-  
13 ties, as follows:

14       (a) By the issuance of bonds in anticipation of payments to  
15 become due under contracts by which 1 or more constituent units  
16 agree to pay to an authority operating under this act certain  
17 sums toward the cost of the acquisition, improvement, enlarge-  
18 ment, or extension of a project ~~which~~ THAT may be made under  
19 this act.

20       (b) By money advanced by an authority operating under this  
21 act under agreements with a constituent unit or other municipal-  
22 ity for the repayment of the money.

23       (c) By money advanced, from time to time, before or during  
24 construction of a project ~~—~~ by a public or private corporation,  
25 firm, or individual, for which an authority operating under this  
26 act shall reimburse the individual, firm, or corporation with  
27 interest not to exceed ~~8% per annum~~ THE RATE PROVIDED IN THE

1 MUNICIPAL FINANCE ACT, ACT NO. 202 OF THE PUBLIC ACTS OF 1943,  
2 BEING SECTIONS 131.1 TO 139.3 OF THE MICHIGAN COMPILED LAWS, or  
3 without interest as may be agreed, when funds are available for  
4 reimbursement. The obligation of an authority to make the reim-  
5 bursement may be evidenced by a contract or note, which contract  
6 or note may be made payable out of the payments to be made by  
7 constituent units under contracts made pursuant to subdivision  
8 (b), or out of the proceeds of bonds issued pursuant to this act  
9 by the county or out of any other available funds, but the con-  
10 tract or note shall not be considered an obligation within the  
11 meaning of Act No. 202 of the Public Acts of 1943, as amended,  
12 being sections 131.1 to 139.3 of the Michigan Compiled Laws.

13 (2) Bonds issued under this section shall be authorized by a  
14 resolution adopted by the authority. The bonds shall be issued  
15 in the name of the authority and shall be executed by the chair-  
16 person and secretary-treasurer of the authority. ~~who shall~~  
17 ~~also cause their facsimile signatures to be affixed to the inter-~~  
18 ~~est coupons to be attached to the bonds.~~ The authority shall  
19 adopt a seal which shall be affixed to the bonds. Bonds issued  
20 under this section shall be negotiable instruments and shall be  
21 serial bonds, TERM BONDS, OR A COMBINATION OF BOTH payable annu-  
22 ally ~~with~~ with the first maturity due not more than 5 years and  
23 the last maturity not more than 40 years after the date of  
24 issuance. Annual maturity payable after 5 years after the date  
25 of issuance of the bonds shall not be less than 1/5 of the amount  
26 of any subsequent maturity on the same series of bonds. The  
27 bonds shall bear interest at not more than the maximum rate

1 permitted by Act No. 202 of the Public Acts of 1943, as amended,  
2 payable semiannually, except that the first coupon may be for any  
3 number of months not exceeding 10. The bonds and ~~coupons~~  
4 INTEREST ON THE BONDS shall be made payable in lawful money of  
5 the United States and shall be exempt from all taxation whatso-  
6 ever by the state or by any taxing authority within the state.  
7 The bonds may be sold at public or private sale. The bonds  
8 authorized in this section and section 14 shall not, except as to  
9 interest rate and as provided by section 14(5), be subject to Act  
10 No. 202 of the Public Acts of 1943, as amended.

11       Sec. 23. ~~(1) An authority created on or after May 1,~~  
12 ~~1984~~ shall within 2 years after its creation prepare or cause to  
13 be prepared a plan for the future development, construction, and  
14 improvement of the port and its facilities, including the maps,  
15 profiles, and other data and descriptions necessary to set forth  
16 the location and character of the work to be undertaken by the  
17 authority. ~~An authority in existence before May 1, 1984 shall~~  
18 ~~prepare or cause to be prepared the plan provided for in this~~  
19 ~~subsection not later than September 30, 1985. The authority~~  
20 ~~shall notify the legislature on April 15, 1985, as to the~~  
21 ~~progress of the plan.~~ The authority shall cause notice by publi-  
22 cation to be given upon the completion of the plan in a daily  
23 newspaper of general circulation in the area under the jurisdic-  
24 tion of the authority. The notice shall fix the time and place  
25 for A hearing on the plan, which shall be not less than 30 nor  
26 more than 60 days after publication of the notice. Any  
27 interested person may file written comments to the plan, if those

1 comments are filed with the secretary-treasurer of the authority  
2 not less than 5 days before the date fixed for the hearing.  
3 After the hearing, the authority may adopt the plan, with any  
4 modifications or amendments, as the official plan of the  
5 authority. The authority, after adoption of the plan, may  
6 modify, amend, or extend the plan after notice and hearing in the  
7 manner prescribed in this subsection.

8 ~~(2) The plan and any modification, amendment, or extension,~~  
9 ~~when adopted by the authority after notice and hearing, shall be~~  
10 ~~conclusive except that plans for specific projects, to be under~~  
11 ~~taken in execution of the official plan, shall not be adopted by~~  
12 ~~the authority without prior individual approval by the governing~~  
13 ~~bodies of its constituent units, the state transportation depart-~~  
14 ~~ment, and the department of commerce.~~

15 Sec. 24. (1) The authority shall submit in writing a  
16 detailed estimate of the budget required for the business and  
17 conduct of an authority's affairs, initially — for a 2-year  
18 period — and annually thereafter, to the governing bodies of  
19 its constituent units. ~~, the department of commerce, and the~~  
20 ~~department of state highways and transportation for approval.~~  
21 The state shall provide 50% of the operating budget of the  
22 authority, to be included in the ~~department of state highways~~  
23 ~~and~~ transportation DEPARTMENT budget which shall be subject to  
24 legislative approval. Fifty percent of the operating budget of  
25 an authority in which not more than 1 county and not more than 1  
26 city participate shall be funded equally by the participating  
27 county and city.

1       (2) A city or county creating or participating in an  
2 authority may appropriate for the use of the authority, and  
3 include in its levy for general fund purposes, an amount consid-  
4 ered proper. However, the total amount permitted by law to be  
5 levied by a city or county for general fund purposes shall not be  
6 considered increased by this section.

7       (3) As used in this section, "operating budget" means solely  
8 operation and maintenance expenses of an authority not included  
9 in the cost of a specific project, THE COST OF DEVELOPING A SPE-  
10 CIFIC PROJECT, and interest on notes, but excludes amounts for  
11 debt service on bonds and amounts for acquisition, construction,  
12 enlargement, improvement, or extension of port facilities.

13       (4) PROJECT COSTS OF A SPECIFIC PROJECT, INCLUDING DEVELOP-  
14 MENT COSTS OR COSTS OF AN UNDERTAKING OF AN AUTHORITY, SHALL BE  
15 PAYABLE FROM ANY LEGALLY AVAILABLE SOURCE.