

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1197**

A bill to amend 1952 PA 214, entitled

"An act authorizing the Mackinac bridge authority to acquire a bridge 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 such 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 such bridge and in that connection 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 such bonds and granting certain rights and remedies to the holders thereof; authorizing banks and trust companies to perform certain acts in connection therewith; 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 same; authorizing employment of engineers irrespective of whether such engineers have been previously employed to make preliminary inspections or reports with respect to the bridge; authorizing the state highway department to operate and maintain such bridge or to contribute thereto and enter into leases and agreements in connection therewith; exempting such bonds and the property of the authority from taxation; prohibiting

competing traffic facilities; authorizing the operation of ferries by the authority; providing for the construction and use of certain buildings; and making an appropriation,"

by amending the title and sections 1 and 5 (MCL 254.311 and 254.315), the title as amended by 1992 PA 120 and section 5 as amended by 1983 PA 123, and by adding sections 14, 14a, 14b, 14c, 14d, and 14e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act authorizing the Mackinac bridge authority to acquire a bridge **AND A UTILITY TUNNEL** connecting the ~~upper and lower~~ **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 ~~such~~ **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 ~~such~~ **THE** bridge and ~~in that connection~~ 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 ~~such~~ bonds and granting certain rights and remedies to the holders thereof; **OF BONDS**; authorizing banks and trust companies to perform certain acts in connection ~~therewith~~; **WITH THE PAYMENT AND SECURITY OF BONDS**; authorizing the imposition of tolls and charges; authorizing the authority to

1 secure the consent of the United States government to the
 2 construction of the bridge and to secure approval of plans,
 3 specifications, and location of same; ~~THE BRIDGE~~; authorizing
 4 employment of engineers ~~irrespective~~ **REGARDLESS** of whether ~~such~~
 5 **THOSE** engineers have been previously employed to make preliminary
 6 inspections or reports with respect to the bridge; authorizing the
 7 state ~~highway~~ **TRANSPORTATION** department to operate and maintain
 8 ~~such~~ **THE** bridge or to contribute ~~thereto~~ **TO THE BRIDGE** and enter
 9 into leases and agreements in connection ~~therewith~~; **WITH THE**
 10 **BRIDGE**; exempting ~~such~~ bonds and the property of the authority from
 11 taxation; prohibiting competing traffic facilities; authorizing the
 12 operation of ferries by the authority; **AUTHORIZING THE CREATION OF**
 13 **THE MACKINAC STRAITS CORRIDOR AUTHORITY; AUTHORIZING THE OPERATION**
 14 **OF A UTILITY TUNNEL BY THE AUTHORITY OR THE MACKINAC STRAITS**
 15 **CORRIDOR AUTHORITY**; providing for the construction and use of
 16 certain buildings; and making an appropriation.

17 Sec. 1. As used in this act: ~~the following words and terms~~
 18 ~~shall have the following meanings:~~

19 (a) ~~The word "authority" shall mean~~ **"AUTHORITY" MEANS** the
 20 Mackinac bridge authority created by ~~Act No. 21 of the Public Acts~~
 21 ~~of the Extra Session of 1950, being sections 254.301 to 254.304,~~
 22 ~~inclusive, of the Compiled Laws of 1948.~~ **IN 1950 (EX SESS) PA 21,**
 23 **MCL 254.301 TO 254.302. THIS SUBDIVISION DOES NOT APPLY TO SECTIONS**
 24 **14A, 14B, 14D, AND 14E.**

25 (b) ~~The word "board" shall refer to~~ **"BOARD" MEANS** the members
 26 of the authority. **THIS SUBDIVISION DOES NOT APPLY TO SECTION 14B.**

27 (c) ~~The word "bridge" shall mean~~ **"BRIDGE" MEANS** the project

1 for the acquisition of which this act is adopted and ~~shall mean~~
 2 **MEANS** a bridge or structure extending from the ~~upper peninsula~~
 3 **UPPER PENINSULA** to the ~~lower peninsula~~ **LOWER PENINSULA** of Michigan,
 4 and ~~shall be understood to include~~ **INCLUDES** all of the following
 5 forming any part ~~thereof~~ **OF THE BRIDGE** or connected with or used or
 6 useful in the operation ~~thereof~~, **OF THE BRIDGE**, causeways, bridges,
 7 tunnels, roads, fills and approaches, or any combination thereof,
 8 parking space and facilities, park and recreation facilities,
 9 lighting facilities, terminal facilities consisting of areas,
 10 structures, and buildings in ~~which [sic]~~ **WHICH** rest rooms, waiting
 11 rooms, restaurant and similar facilities, and other accommodations
 12 for the traveling public may be installed, including all fixtures,
 13 utility lines, accessories, and equipment relating to any or all of
 14 the above, and including the improvement and beautification of ~~such~~
 15 terminal areas at each end of the structure as may be designed to
 16 increase the use ~~thereof~~, **OF THE STRUCTURE**, and including ~~in all of~~
 17 ~~the foregoing~~ all real and personal property, tangible or
 18 intangible, licenses, franchises, easements, and rights-of-way
 19 necessary thereto.

20 (d) ~~The term "cost of the bridge" shall include~~ **"COST OF THE**
 21 **BRIDGE" INCLUDES** all expenditures made in connection with the
 22 acquisition and construction ~~thereof~~, **OF THE BRIDGE**, financing
 23 charges, interest to accrue on the bonds during the period occupied
 24 by the construction of the bridge and for ~~such~~ **A** period ~~thereafter~~
 25 **AFTER CONSTRUCTION OF THE BRIDGE** as ~~may be~~ determined by the board,
 26 the aggregate of such periods, however, not to exceed 7 years, cost
 27 of engineering and legal expenses, plans, specifications and

1 surveys, other expenses necessary or incidental to determining the
 2 feasibility of the project, the cost of all land, property, rights,
 3 easements and franchises, reimbursement of all money ~~which~~ **THAT** may
 4 have been ~~heretofore or may hereafter~~ **WILL** be paid or advanced by
 5 the state of Michigan or any of its agencies, departments, or
 6 subdivisions, ~~for any of the foregoing,~~ and all other expenses
 7 properly incident to the acquisition of the bridge and the issuance
 8 of the bonds.

9 (e) ~~The words "the state" shall mean~~ **"THE STATE" MEANS** the
 10 state of Michigan.

11 (f) ~~The words "the bonds" shall mean~~ **"THE BONDS" MEANS** all
 12 bonds authorized to be issued by this act.

13 (g) ~~The words "to construct" shall mean~~ **"TO CONSTRUCT" MEANS**
 14 to acquire through construction, purchase, gift, condemnation, or
 15 any combination thereof.

16 Sec. 5. (1) The authority ~~is hereby authorized~~ **MAY** by
 17 resolution ~~or resolutions~~ of the board ~~to~~ provide for the issuance
 18 of revenue bonds for the purpose of paying the cost of the bridge
 19 or for the purpose of refunding the bonds, including refunding
 20 bonds, or for any combination of ~~such~~ **THESE** purposes. ~~Such~~
 21 ~~refunding~~ **REFUNDING** bonds may be either sold at not less than par
 22 and accrued interest or may be delivered in exchange for the bonds
 23 to be refunded or may be sold in part and exchanged in part and if
 24 sold, the proceeds ~~thereof~~ **OF THE SALE OR EXCHANGE** when received,
 25 together with other properly available funds sufficient to pay the
 26 balance of the principal, interest, and redemption premiums ~~which~~
 27 **THAT** will be due on the bonds to be refunded, shall be deposited

1 with the paying agent for the bonds to be ~~so~~ refunded and used only
 2 for the purpose of making ~~said~~ **THOSE** payments. ~~Any such~~ **A** sale or
 3 exchange ~~shall be~~ **DESCRIBED IN THIS SUBSECTION IS** subject to the
 4 approval of the state administrative board. The board may enter
 5 into ~~such~~ contracts for fiscal agents' services in connection with
 6 the financing of the bridge as ~~may be~~ approved by the state
 7 administrative board, or the state treasurer may be used as fiscal
 8 agent.

9 (2) Principal of and interest and redemption premiums on the
 10 bonds issued ~~hereunder shall be~~ **UNDER THIS SECTION ARE** payable
 11 solely from the revenues of the authority, except that ~~said~~
 12 payments may also be made from the proceeds of refunding bonds
 13 issued ~~hereunder~~ **UNDER THIS SECTION** and capitalized interest may be
 14 paid from the proceeds of the bonds. ~~Such~~ **THE** bonds may be either
 15 serial bonds, ~~or~~ term bonds, or ~~any~~ **A** combination thereof. ~~OF~~
 16 **SERIAL AND TERM BONDS.** Any serial bonds shall have annual or
 17 semiannual maturities, the first maturity of which shall be payable
 18 not more than 10 years from their date. ~~Any~~ **A** term bonds shall be
 19 **BOND IS** redeemable on any interest payment date at ~~such~~ **A** price ~~or~~
 20 ~~prices~~ and upon ~~such~~ terms and conditions as prescribed by the
 21 authorizing resolution of the board, and recited upon the face of
 22 the bonds. ~~The bonds~~ **BOND. A BOND** shall mature not more than 50
 23 years from ~~their~~ **ITS** date, shall be **A** coupon bonds ~~BOND~~ bearing
 24 interest at not more than 6% per annum, payable semiannually except
 25 as to the first coupon which may be for any number of months not
 26 exceeding 10, shall be payable in ~~such~~ **A** medium, shall be in ~~such~~ **A**
 27 form and executed in ~~such~~ **A** manner, shall have ~~such~~ **A** privilege of

1 registration as to principal or principal and interest, shall be
 2 payable at ~~such~~ **A** place ~~or places within~~ **INSIDE** or ~~without the~~
 3 **OUTSIDE THIS** state, and shall otherwise have ~~such~~ other details as
 4 ~~may be~~ fixed by resolution of the board. Serial bonds may be made
 5 redeemable prior to maturity at ~~such~~ **A** price ~~or prices~~ and under
 6 ~~such~~ terms and conditions ~~as may be~~ prescribed in the resolution of
 7 the board, and recited upon the face of the bonds.

8 (3) ~~All such bonds~~ **A BOND ISSUED UNDER THIS SECTION** shall
 9 contain a statement on ~~their~~ **ITS** face that neither the ~~bonds~~ **BOND**
 10 nor the ~~coupons~~ **COUPON** representing interest ~~thereon constitute~~ **ON**
 11 **THE BOND CONSTITUTES** an indebtedness of ~~the~~ **THIS** state ~~of Michigan~~
 12 within the meaning of any constitutional limitations or
 13 prohibitions and that neither the authority nor ~~the~~ **THIS** state is
 14 authorized to pay ~~such bonds~~ **THE BOND** or interest except from the
 15 revenues pledged ~~thereto~~ **TO THE BOND OR INTEREST** under ~~the~~
 16 ~~provisions of~~ this act. In case any official whose signature
 17 appears on ~~such bonds~~ **A BOND** or ~~coupons~~ shall ~~cease~~ **COUPON CEASES**
 18 to be ~~such~~ **AN** officer before the delivery of ~~such bonds,~~ ~~such~~ **THE**
 19 **BOND, HIS OR HER** signature shall nevertheless be valid and
 20 sufficient for all purposes ~~with like effect as though such person~~
 21 **HE OR SHE** had remained in office until delivery. ~~All such bonds are~~
 22 ~~hereby declared to be~~ **A BOND ISSUED UNDER THIS SECTION IS** fully
 23 negotiable and ~~to have~~ **HAS** all of the qualities incident to
 24 negotiable instruments under the uniform commercial code, subject
 25 only to the provisions for registration of the ~~bonds which may~~
 26 ~~appear therein. Such bonds shall be~~ **BOND THAT APPEARS IN THE BOND.**
 27 **A BOND ISSUED UNDER THIS SECTION IS** exempt from all taxation by the

1 ~~THIS~~ state or ~~any of its~~ **A** political subdivisions ~~SUBDIVISION OF~~
 2 **THIS STATE** and shall be sold at public sale after notice at least 5
 3 days before the sale in a publication approved by the department of
 4 treasury for the carrying of ~~such~~ **THE** notice, but no ~~such~~ sale
 5 shall be made at a price that will result in an interest cost of
 6 more than 6% per annum. However, all or any part of ~~such bonds~~ **A**
 7 **BOND ISSUED UNDER THIS SECTION** may be sold to the United States
 8 government or ~~any~~ **AN** agency thereof, ~~OF THE UNITED STATES~~
 9 **GOVERNMENT**, at private sale ~~without~~ public offering and the
 10 authority is authorized to enter into any agreements or contracts
 11 with the United States government or any of its agencies necessary
 12 to provide for the financing of the bridge in the manner
 13 contemplated by this act. ~~Such bonds~~ **A BOND ISSUED UNDER THIS**
 14 **SECTION** may be authorized and may be issued from time to time as
 15 needed and subsequent series or issues thereof shall enjoy ~~OF A~~
 16 **BOND ISSUED UNDER THIS SECTION HAVE** equal or subordinate status
 17 with respect to the pledge of revenues from which ~~they are~~ **THE BOND**
 18 **IS** payable as ~~may be~~ provided in the proceedings authorizing ~~their~~
 19 **ITS** issuance. Any public sale, or negotiated sale of ~~the bonds~~ **A**
 20 **BOND ISSUED UNDER THIS SECTION** with the United States government or
 21 any of its agencies, ~~shall be~~ **IS** subject to the approval of the
 22 state administrative board. Prior to the preparation of **A**
 23 definitive ~~bonds~~, **BOND**, the board may provide for the issuance of **A**
 24 temporary ~~bonds~~ **BOND** with or without ~~coupons~~, **A COUPON**,
 25 exchangeable for **A** definitive ~~bonds~~ **BOND** upon the issuance of the
 26 ~~latter~~. **TEMPORARY BOND**. The proceedings authorizing ~~the bonds~~ **A**
 27 **BOND ISSUED UNDER THIS SECTION** may provide that ~~such bonds~~ **THE BOND**

1 shall contain a recital that ~~they are~~ **IT IS** issued pursuant to
 2 **UNDER** this act and ~~such~~ **THE** recital ~~shall be~~ **IS** conclusive evidence
 3 of ~~their~~ **ITS** validity and the regularity of ~~their~~ **ITS** issuance.

4 (4) THIS SECTION DOES NOT APPLY TO THE ACQUISITION,
 5 CONSTRUCTION, OPERATION, MAINTENANCE, IMPROVEMENT, REPAIR, OR
 6 MANAGEMENT OF A UTILITY TUNNEL. AS USED IN THIS SUBSECTION,
 7 "UTILITY TUNNEL" MEANS THAT TERM AS DEFINED IN SECTION 14.

8 SEC. 14. AS USED IN THIS SECTION AND SECTIONS 14A TO 14E:

9 (A) "CORRIDOR AUTHORITY BOARD" MEANS THE BOARD OF DIRECTORS OF
 10 THE MACKINAC STRAITS CORRIDOR AUTHORITY APPOINTED UNDER SECTION
 11 14B.

12 (B) "MACKINAC STRAITS CORRIDOR AUTHORITY" MEANS THE MACKINAC
 13 STRAITS CORRIDOR AUTHORITY CREATED IN SECTION 14B.

14 (C) "STRAITS PROTECTION FUND" MEANS THE FUND CREATED IN
 15 SECTION 14C.

16 (D) "TUNNEL AGREEMENT" MEANS AN AGREEMENT OR SERIES OF
 17 AGREEMENTS DESCRIBED IN SECTION 14D.

18 (E) "UTILITY TUNNEL" MEANS A TUNNEL JOINING AND CONNECTING THE
 19 UPPER AND LOWER PENINSULAS OF THIS STATE AT THE STRAITS OF MACKINAC
 20 FOR THE PURPOSE OF ACCOMMODATING UTILITY INFRASTRUCTURE, INCLUDING,
 21 BUT NOT LIMITED TO, PIPELINES, ELECTRIC TRANSMISSION LINES,
 22 FACILITIES FOR THE TRANSMISSION OF DATA AND TELECOMMUNICATIONS, ALL
 23 USEFUL AND RELATED FACILITIES, EQUIPMENT, AND STRUCTURES, AND ALL
 24 NECESSARY TANGIBLE OR INTANGIBLE REAL AND PERSONAL PROPERTY,
 25 LICENSES, FRANCHISES, EASEMENTS, AND RIGHTS-OF-WAY.

26 SEC. 14A. (1) THE MACKINAC BRIDGE AUTHORITY MAY ACQUIRE,
 27 CONSTRUCT, OPERATE, MAINTAIN, IMPROVE, REPAIR, AND MANAGE A UTILITY

1 TUNNEL. THE MACKINAC BRIDGE AUTHORITY SHALL DETERMINE THE RATES
2 CHARGED FOR THE SERVICES OFFERED BY THE UTILITY TUNNEL. THE
3 MACKINAC BRIDGE AUTHORITY MAY ENTER INTO CONTRACTS OR AGREEMENTS
4 NECESSARY TO PERFORM ITS DUTIES AND POWERS UNDER THIS ACT,
5 INCLUDING, BUT NOT LIMITED TO, LEASING THE RIGHT TO USE A UTILITY
6 TUNNEL ON TERMS AND FOR CONSIDERATION DETERMINED BY THE MACKINAC
7 BRIDGE AUTHORITY. THIS SUBSECTION DOES NOT AUTHORIZE THE MACKINAC
8 BRIDGE AUTHORITY TO INCUR OBLIGATIONS THAT WOULD CONSTITUTE AN
9 INDEBTEDNESS OF THIS STATE CONTRARY TO THE STATE CONSTITUTION OF
10 1963.

11 (2) THE MACKINAC BRIDGE AUTHORITY MAY PURCHASE OR OTHERWISE
12 ACQUIRE AT A FAIR AND REASONABLE PRICE PROPERTY AND PROPERTY RIGHTS
13 IN CONNECTION WITH THE CONSTRUCTION OF A UTILITY TUNNEL, INCLUDING,
14 BUT NOT LIMITED TO, ROADS, STRUCTURES, RIGHTS-OF-WAY, FRANCHISES,
15 EASEMENTS, AND OTHER INTERESTS IN LAND, INCLUDING LAND UNDER WATER;
16 THE RIPARIAN RIGHTS OF ANY PERSON; AND THE RIGHT TO CUT OFF LIGHT,
17 AIR, AND ACCESS TO REAL PROPERTY.

18 (3) THE MACKINAC BRIDGE AUTHORITY MAY ENTER ON ANY PUBLIC
19 LAND, WATER, OR PREMISES TO MAKE A SURVEY, SOUNDING, OR EXAMINATION
20 IN CONNECTION WITH THE CONSTRUCTION OF A UTILITY TUNNEL. THE
21 MACKINAC BRIDGE AUTHORITY HAS THE RIGHT TO USE AND FULL EASEMENTS
22 AND RIGHTS-OF-WAY THROUGH, ACROSS, UNDER, AND OVER ANY LANDS OR
23 PROPERTY OWNED BY THIS STATE OR IN WHICH THIS STATE HAS ANY RIGHT,
24 TITLE, OR INTEREST, WITHOUT CONSIDERATION, THAT MAY BE NECESSARY OR
25 CONVENIENT TO THE CONSTRUCTION AND EFFICIENT OPERATION OF THE
26 UTILITY TUNNEL.

27 (4) THE MACKINAC BRIDGE AUTHORITY MAY PERFORM ALL ACTS

1 NECESSARY TO SECURE THE CONSENT OF ANY DEPARTMENT, AGENCY,
2 INSTRUMENTALITY, OR OFFICER OF THE UNITED STATES GOVERNMENT OR THIS
3 STATE TO THE CONSTRUCTION AND OPERATION OF A UTILITY TUNNEL AND THE
4 CHARGING OF FEES FOR ITS USE, AND TO SECURE THE APPROVAL OF ANY
5 DEPARTMENT, AGENCY, INSTRUMENTALITY, OR OFFICER OF THE UNITED
6 STATES GOVERNMENT OR THIS STATE REQUIRED BY LAW TO APPROVE THE
7 PLANS, SPECIFICATIONS, AND LOCATION OF THE UTILITY TUNNEL OR THE
8 FEES TO BE CHARGED FOR THE USE OF THE UTILITY TUNNEL.

9 (5) THE CARRYING OUT OF THE MACKINAC BRIDGE AUTHORITY'S
10 PURPOSES, INCLUDING A UTILITY TUNNEL, ARE FOR THE BENEFIT OF THE
11 PEOPLE OF THIS STATE AND CONSTITUTE A PUBLIC PURPOSE, AND THE
12 MACKINAC BRIDGE AUTHORITY IS PERFORMING AN ESSENTIAL GOVERNMENT
13 FUNCTION IN THE EXERCISE OF THE POWERS CONFERRED UPON IT BY THIS
14 ACT. ALL PROPERTY OWNED BY THE MACKINAC BRIDGE AUTHORITY RELATED TO
15 A UTILITY TUNNEL IS EXEMPT FROM ALL TAXES LEVIED BY THIS STATE AND
16 ALL OF ITS POLITICAL SUBDIVISIONS AND TAXING DISTRICTS, AND THE
17 MACKINAC BRIDGE AUTHORITY IS NOT REQUIRED TO PAY TAXES OR
18 ASSESSMENTS UPON ITS ACTIVITIES OR UPON ANY OF ITS REVENUES. IF A
19 TAX OF ANY NATURE IS LEGALLY IMPOSED ON ANY PROPERTY OR OBLIGATION
20 OF THE MACKINAC BRIDGE AUTHORITY IN CONNECTION WITH A UTILITY
21 TUNNEL, AND THAT TAX IS DETERMINED TO BE VALID AND EFFECTIVE, THE
22 TAX SHALL BE PAID FROM THE REVENUES OF THE MACKINAC BRIDGE
23 AUTHORITY AS AN EXPENSE OF MAINTAINING AND OPERATING THE UTILITY
24 TUNNEL. REAL PROPERTY OR PERSONAL PROPERTY OWNED OR USED BY AN
25 ENTITY LEASING OR OTHERWISE USING THE UTILITY TUNNEL IS NOT EXEMPT
26 FROM TAXATION.

27 SEC. 14B. (1) THE MACKINAC STRAITS CORRIDOR AUTHORITY IS

1 CREATED WITHIN THE STATE TRANSPORTATION DEPARTMENT. THE MACKINAC
2 STRAITS CORRIDOR AUTHORITY IS A STATE INSTITUTION WITHIN THE
3 MEANING OF SECTION 9 OF ARTICLE II OF THE STATE CONSTITUTION OF
4 1963, AND AN INSTRUMENTALITY OF THIS STATE EXERCISING PUBLIC AND
5 ESSENTIAL GOVERNMENTAL FUNCTIONS. THE CREATION OF THE MACKINAC
6 STRAITS CORRIDOR AUTHORITY AND THE CARRYING OUT OF THE MACKINAC
7 STRAITS CORRIDOR AUTHORITY'S AUTHORIZED PURPOSES ARE PUBLIC AND
8 ESSENTIAL GOVERNMENTAL PURPOSES FOR THE BENEFIT OF THE PEOPLE OF
9 THIS STATE AND FOR THE IMPROVEMENT OF THE HEALTH, SAFETY, WELFARE,
10 COMFORT, AND SECURITY OF THE PEOPLE OF THIS STATE, AND THESE
11 PURPOSES ARE PUBLIC PURPOSES. THE MACKINAC STRAITS CORRIDOR
12 AUTHORITY WILL BE PERFORMING AN ESSENTIAL GOVERNMENTAL FUNCTION IN
13 THE EXERCISE OF THE POWERS CONFERRED UPON IT BY THIS ACT.

14 (2) THE MACKINAC STRAITS CORRIDOR AUTHORITY SHALL EXERCISE ITS
15 DUTIES THROUGH THE CORRIDOR AUTHORITY BOARD. THE CORRIDOR AUTHORITY
16 BOARD SHALL CONSIST OF 3 MEMBERS APPOINTED BY THE GOVERNOR WITH THE
17 ADVICE AND CONSENT OF THE SENATE. NO MORE THAN 2 OF THE CORRIDOR
18 AUTHORITY BOARD MEMBERS SHALL BE MEMBERS OF THE SAME POLITICAL
19 PARTY. MEMBERS OF THE CORRIDOR AUTHORITY BOARD SHALL SERVE FOR
20 TERMS OF 6 YEARS OR UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIED,
21 WHICHEVER IS LATER.

22 (3) IF A VACANCY OCCURS ON THE CORRIDOR AUTHORITY BOARD, THE
23 GOVERNOR, WITH THE ADVICE AND CONSENT OF THE SENATE, SHALL MAKE AN
24 APPOINTMENT FOR THE UNEXPIRED TERM IN THE SAME MANNER AS THE
25 ORIGINAL APPOINTMENT.

26 (4) AT THE FIRST MEETING OF THE CORRIDOR AUTHORITY BOARD, THE
27 CORRIDOR AUTHORITY BOARD SHALL ELECT FROM AMONG ITS MEMBERS A

1 CHAIRPERSON. AFTER THE FIRST MEETING, THE CORRIDOR AUTHORITY BOARD
2 SHALL MEET AT THE CALL OF THE CHAIRPERSON OR IF REQUESTED BY A
3 MAJORITY OF THE MEMBERS.

4 (5) A MAJORITY OF THE MEMBERS OF THE CORRIDOR AUTHORITY BOARD
5 CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS AT A MEETING OF
6 THE BOARD. A MAJORITY OF THE MEMBERS PRESENT AND SERVING ARE
7 REQUIRED FOR OFFICIAL ACTION OF THE CORRIDOR AUTHORITY BOARD.

8 (6) MEMBERS OF THE CORRIDOR AUTHORITY BOARD SHALL SERVE
9 WITHOUT COMPENSATION. HOWEVER, MEMBERS OF THE CORRIDOR AUTHORITY
10 BOARD SHALL BE REIMBURSED FOR THEIR ACTUAL AND NECESSARY EXPENSES
11 INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES AS MEMBERS OF
12 THE CORRIDOR AUTHORITY BOARD, UNLESS THEY DECLINE TO ACCEPT
13 REIMBURSEMENT.

14 (7) THE MEMBERS OF THE CORRIDOR AUTHORITY BOARD AND ANY AGENT
15 OF THE MACKINAC STRAITS CORRIDOR AUTHORITY ARE SUBJECT TO 1968 PA
16 317, MCL 15.321 TO 15.330, AND 1968 PA 318, MCL 15.301 TO 15.310.

17 (8) AN INDIVIDUAL WHO IS A MEMBER OF THE MACKINAC BRIDGE
18 AUTHORITY BOARD SHALL NOT SERVE AS A MEMBER OF THE CORRIDOR
19 AUTHORITY BOARD DURING HIS OR HER TERM AS A MEMBER OF THE MACKINAC
20 BRIDGE AUTHORITY BOARD.

21 (9) THE BUSINESS THAT THE CORRIDOR AUTHORITY BOARD MAY PERFORM
22 SHALL BE CONDUCTED AT A PUBLIC MEETING OF THE CORRIDOR AUTHORITY
23 BOARD HELD IN COMPLIANCE WITH THE OPEN MEETINGS ACT, 1976 PA 267,
24 MCL 15.261 TO 15.275.

25 (10) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF, OR
26 RETAINED BY THE CORRIDOR AUTHORITY BOARD IN THE PERFORMANCE OF AN
27 OFFICIAL FUNCTION IS SUBJECT TO THE FREEDOM OF INFORMATION ACT,

1 1976 PA 442, MCL 15.231 TO 15.246.

2 (11) THE MACKINAC STRAITS CORRIDOR AUTHORITY DOES NOT POSSESS
3 ANY POWERS NOT EXPLICITLY GRANTED TO IT UNDER THIS ACT, INCLUDING,
4 BUT NOT LIMITED TO, THE POWER OF EMINENT DOMAIN.

5 SEC. 14C. (1) THE STRAITS PROTECTION FUND IS CREATED WITHIN
6 THE STATE TREASURY.

7 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM
8 ANY SOURCE FOR DEPOSIT INTO THE STRAITS PROTECTION FUND. THE STATE
9 TREASURER SHALL DIRECT THE INVESTMENT OF THE STRAITS PROTECTION
10 FUND. THE STATE TREASURER SHALL CREDIT TO THE STRAITS PROTECTION
11 FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS.

12 (3) MONEY IN THE STRAITS PROTECTION FUND AT THE CLOSE OF THE
13 FISCAL YEAR SHALL REMAIN IN THE STRAITS PROTECTION FUND AND SHALL
14 NOT LAPSE TO THE GENERAL FUND.

15 (4) THE STATE TRANSPORTATION DEPARTMENT SHALL BE THE
16 ADMINISTRATOR OF THE FUND FOR AUDITING PURPOSES.

17 SEC. 14D. (1) ALL LIABILITIES, DUTIES, RESPONSIBILITIES,
18 AUTHORITIES, AND POWERS RELATED TO A UTILITY TUNNEL AS PROVIDED IN
19 SECTION 14A AND ANY MONEY IN THE STRAITS PROTECTION FUND SHALL
20 TRANSFER TO THE CORRIDOR AUTHORITY BOARD UPON THE APPOINTMENT OF
21 THE MEMBERS OF THE CORRIDOR AUTHORITY BOARD UNDER SECTION 14B(2).
22 THE TRANSFER OF DUTIES, RESPONSIBILITIES, AUTHORITIES, POWERS, AND
23 MONEY DESCRIBED IN THIS SUBSECTION DOES NOT REQUIRE ANY ACTION BY
24 THE MACKINAC BRIDGE AUTHORITY OR ANY OTHER ENTITY. THE CORRIDOR
25 AUTHORITY BOARD SHALL EXERCISE ITS DUTIES INDEPENDENTLY OF THE
26 STATE TRANSPORTATION DEPARTMENT AND THE MACKINAC BRIDGE AUTHORITY.

27 (2) THE CORRIDOR AUTHORITY BOARD SHALL PROVIDE A REPORT TO THE

1 MACKINAC BRIDGE AUTHORITY AND THE DIRECTOR OF THE STATE
2 TRANSPORTATION DEPARTMENT AT LEAST 1 TIME PER YEAR REGARDING
3 ASPECTS OF THE UTILITY TUNNEL THAT COULD AFFECT THE MACKINAC BRIDGE
4 AUTHORITY, INCLUDING, BUT NOT LIMITED TO, THE PROGRESS OF
5 CONSTRUCTION AND UTILITY LEASING.

6 (3) THE OPERATION OF A UTILITY TUNNEL, INCLUDING, BUT NOT
7 LIMITED TO, THE LEASING OF SPACE IN THE UTILITY TUNNEL TO A
8 UTILITY, IS NOT COMPETITION WITH THE BRIDGE.

9 (4) EXCEPT AS PROVIDED IN SUBDIVISION (A), NO LATER THAN
10 DECEMBER 31, 2018, THE MACKINAC STRAITS CORRIDOR AUTHORITY SHALL
11 ENTER INTO AN AGREEMENT OR A SERIES OF AGREEMENTS FOR THE
12 CONSTRUCTION, MAINTENANCE, OPERATION, AND DECOMMISSIONING OF A
13 UTILITY TUNNEL, IF THE MACKINAC STRAITS CORRIDOR AUTHORITY FINDS
14 ALL OF THE FOLLOWING:

15 (A) THAT THE GOVERNOR HAS SUPPLIED A PROPOSED TUNNEL AGREEMENT
16 TO THE MACKINAC STRAITS CORRIDOR AUTHORITY ON OR BEFORE DECEMBER
17 21, 2018. IF THE GOVERNOR HAS NOT SUPPLIED A PROPOSED TUNNEL
18 AGREEMENT TO THE MACKINAC STRAITS CORRIDOR AUTHORITY ON OR BEFORE
19 DECEMBER 21, 2018, THE MACKINAC STRAITS CORRIDOR AUTHORITY SHALL
20 ACT ON THE PROPOSED TUNNEL AGREEMENT NO LATER THAN 45 DAYS AFTER
21 THE DATE THE PROPOSED AGREEMENT IS PRESENTED.

22 (B) THAT THE PROPOSED TUNNEL AGREEMENT ALLOWS FOR THE USE OF
23 THE UTILITY TUNNEL BY MULTIPLE UTILITIES, PROVIDES AN OPTION TO
24 BETTER CONNECT THE UPPER AND LOWER PENINSULAS OF THIS STATE, AND
25 PROVIDES A ROUTE TO ALLOW UTILITIES TO BE LAID WITHOUT FUTURE
26 DISTURBANCE TO THE BOTTOMLANDS OF THE STRAITS OF MACKINAC.

27 (C) THAT THE PROPOSED TUNNEL AGREEMENT REQUIRES GATHERING OF

1 GEOTECHNICAL INFORMATION BEFORE CONSTRUCTION TO ENSURE THAT
2 CONSTRUCTION OF A UTILITY TUNNEL IS FEASIBLE.

3 (D) THAT THE PROPOSED TUNNEL AGREEMENT PROVIDES THE MACKINAC
4 STRAITS CORRIDOR AUTHORITY WITH A MECHANISM TO ENSURE THAT A
5 UTILITY TUNNEL IS BUILT TO SUFFICIENT TECHNICAL SPECIFICATIONS AND
6 MAINTAINED PROPERLY TO ENSURE A LONG ASSET LIFE AND SECONDARY
7 CONTAINMENT FOR ANY LEAK OR POLLUTION FROM UTILITIES USING THE
8 TUNNEL.

9 (E) THAT THE PROPOSED TUNNEL AGREEMENT DOES NOT REQUIRE ANY
10 OBLIGATION OF FUNDS THAT IS INCONSISTENT WITH THIS ACT, AND THAT
11 THE PROPOSED TUNNEL AGREEMENT PROVIDES A MECHANISM UNDER WHICH ALL
12 COSTS OF CONSTRUCTION, MAINTENANCE, OPERATION, AND DECOMMISSIONING
13 OF THE UTILITY TUNNEL ARE BORNE BY A PRIVATE PARTY AND NOT BY THE
14 MACKINAC STRAITS CORRIDOR AUTHORITY, ITS PREDECESSOR, OR A
15 SUCCESSOR. THIS SUBDIVISION DOES NOT PREVENT THE EXPENDITURE OF
16 MONEY FROM THE STRAITS PROTECTION FUND FOR THE COST OF INDEPENDENT
17 OVERSIGHT OF THE UTILITY TUNNEL OR THE LEASING OF SPACE IN THE
18 UTILITY TUNNEL TO PUBLICLY-OWNED ENTITIES.

19 (F) THAT THE PROPOSED TUNNEL AGREEMENT DOES NOT REQUIRE THE
20 USE OF THE POWER OF EMINENT DOMAIN.

21 (G) THAT THE PROPOSED TUNNEL AGREEMENT DOES NOT EXEMPT ANY
22 ENTITY THAT CONSTRUCTS OR USES THE UTILITY TUNNEL FROM THE
23 OBLIGATION TO OBTAIN ANY REQUIRED GOVERNMENTAL PERMITS OR APPROVALS
24 FOR THE CONSTRUCTION OR USE OF THE UTILITY TUNNEL.

25 (H) THAT THE PROPOSED TUNNEL AGREEMENT DOES NOT EXEMPT AN
26 ENTITY USING THE UTILITY TUNNEL FROM THE PAYMENT OF A TAX OR
27 SIMILAR OBLIGATION.

Senate Bill No. 1197 as amended December 11, 2018

1 (I) THAT THE PROPOSED TUNNEL AGREEMENT DOES NOT REQUIRE THE
2 MACKINAC STRAITS CORRIDOR AUTHORITY TO BRING OR DEFEND A LEGAL
3 CLAIM FOR WHICH THE ATTORNEY GENERAL IS NOT REQUIRED TO PROVIDE
4 COUNSEL.

5 (J) THAT THE PROPOSED TUNNEL AGREEMENT REQUIRES THAT FOR ANY
6 LEASING OF SPACE FOR FACILITIES FOR THE TRANSMISSION OF DATA AND
7 TELECOMMUNICATIONS THAT THE MACKINAC BRIDGE AUTHORITY SHALL BE
8 REIMBURSED FOR ANY AND ALL LOSS OF NET PROFIT FROM THE LEASING OF
9 SPACE FOR FACILITIES FOR THE TRANSMISSION OF DATA AND

10 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.]

11 (5) IF THE ATTORNEY GENERAL DECLINES TO REPRESENT THE MACKINAC
12 BRIDGE AUTHORITY OR THE MACKINAC STRAITS CORRIDOR AUTHORITY IN A
13 MATTER RELATED TO THE UTILITY TUNNEL, THE ATTORNEY GENERAL SHALL
14 PROVIDE FOR THE COSTS OF REPRESENTATION BY AN ATTORNEY LICENSED TO
15 PRACTICE IN THIS STATE CHOSEN BY THE MACKINAC BRIDGE AUTHORITY OR
16 THE MACKINAC STRAITS CORRIDOR AUTHORITY, AS APPLICABLE. AS USED IN
17 THIS SUBSECTION, "MATTER RELATED TO THE UTILITY TUNNEL" INCLUDES,
18 BUT IS NOT LIMITED TO, 1 OR MORE OF THE FOLLOWING:

19 (A) A CLAIM SEEKING A JUDICIAL DETERMINATION THAT THE TUNNEL
20 AGREEMENT IS LEGALLY INVALID.

21 (B) A CLAIM SEEKING TO ENJOIN PERFORMANCE UNDER THE TUNNEL
22 AGREEMENT.

23 (C) A CLAIM CHALLENGING THE VALIDITY OF ANY GOVERNMENTAL
24 APPROVAL OR PERMIT GRANTED BASED UPON AN APPLICATION SUBMITTED
25 SINGLY OR JOINTLY BY THE MACKINAC STRAITS CORRIDOR AUTHORITY.

26 (D) A CLAIM CHALLENGING A GOVERNMENTAL ENTITY'S DENIAL OF A
27 GOVERNMENTAL APPROVAL OR PERMIT SUBMITTED SINGLY OR JOINTLY BY THE

1 MACKINAC STRAITS UTILITY TUNNEL AUTHORITY.

2 (E) A CLAIM CHALLENGING THE RIGHT TO USE ANY LAND OF THIS
3 STATE FOR WHICH THE MACKINAC BRIDGE AUTHORITY OR THE MACKINAC
4 STRAITS CORRIDOR AUTHORITY WAS GRANTED THE RIGHT TO USE.

5 (F) A CLAIM ALLEGING A FAILURE TO PERFORM UNDER THE TUNNEL
6 AGREEMENT THAT LIMITS 1 OF THE FOLLOWING:

7 (i) THE USE OF THE UTILITY TUNNEL.

8 (ii) THE ABILITY TO OPERATE THE UTILITY INFRASTRUCTURE WITHIN
9 THE UTILITY TUNNEL, IF THE UTILITY IS IN FULL COMPLIANCE WITH THE
10 TERMS OF A LEASE GRANTED BY THE MACKINAC STRAITS CORRIDOR
11 AUTHORITY.

12 (G) A CLAIM CHALLENGING THE VALIDITY OF OR SEEKING TO ENJOIN
13 THE ISSUANCE OF ANY APPROVAL REGARDING THE UTILITY TUNNEL.

14 (6) ANY ADMINISTRATIVE FUNCTIONS OF THE MACKINAC STRAITS
15 CORRIDOR AUTHORITY SHALL BE PERFORMED UNDER THE DIRECTION AND
16 SUPERVISION OF THE STATE TRANSPORTATION DEPARTMENT.

17 SEC. 14E. (1) NEITHER THE MACKINAC BRIDGE AUTHORITY NOR THE
18 MACKINAC STRAITS CORRIDOR AUTHORITY MAY PAY OR OBLIGATE ANY MONEY
19 OR ASSETS RELATED TO THE UTILITY TUNNEL EXCEPT MONEY THAT IS
20 DEPOSITED INTO THE STRAITS PROTECTION FUND OR ANY ESCROW OR RESERVE
21 FUND CREATED UNDER THE TUNNEL AGREEMENT. THIS STATE, A STATE
22 OFFICIAL, A STATE-RELATED ENTITY, THE MACKINAC BRIDGE AUTHORITY OR
23 AN AGENT OF THE MACKINAC BRIDGE AUTHORITY, THE MACKINAC STRAITS
24 CORRIDOR AUTHORITY OR AN AGENT OF THE MACKINAC STRAITS CORRIDOR
25 AUTHORITY, OR ANY OTHER LEGAL, FINANCIAL, OR OTHER EXPERT PROVIDING
26 ADVICE TO THE MACKINAC BRIDGE AUTHORITY OR THE MACKINAC STRAITS
27 CORRIDOR AUTHORITY SHALL NOT ENTER INTO AN AGREEMENT FOR THE

1 PAYMENT OF MONEY FROM ANY SOURCE OTHER THAN THE STRAITS PROTECTION
2 FUND OR ANY ESCROW OR RESERVE FUND CREATED UNDER THE TUNNEL
3 AGREEMENT. THIS SUBSECTION DOES NOT RESTRICT THE RIGHT OF THE
4 MACKINAC BRIDGE AUTHORITY OR THE MACKINAC STRAITS CORRIDOR
5 AUTHORITY TO UTILIZE ANY PROPERTY RIGHTS GRANTED TO THE MACKINAC
6 BRIDGE AUTHORITY OR THE MACKINAC STRAITS CORRIDOR AUTHORITY BY THIS
7 STATE OR A PRIVATE PROPERTY OWNER.

8 (2) THIS STATE, A STATE OFFICIAL, A STATE-RELATED ENTITY, THE
9 MACKINAC BRIDGE AUTHORITY OR AN AGENT OF THE MACKINAC BRIDGE
10 AUTHORITY, THE MACKINAC STRAITS CORRIDOR AUTHORITY OR AN AGENT OF
11 THE MACKINAC STRAITS CORRIDOR AUTHORITY, OR ANY OTHER LEGAL,
12 FINANCIAL, OR OTHER EXPERT PROVIDING ADVICE TO THE MACKINAC BRIDGE
13 AUTHORITY OR THE MACKINAC STRAITS CORRIDOR AUTHORITY SHALL NOT
14 ENTER INTO AN AGREEMENT TO ACCEPT ANY LIABILITY FOR OR RESULTING
15 FROM THE INSTALLATION, MAINTENANCE, OPERATION, OR DECOMMISSIONING
16 OF ANY UTILITY EQUIPMENT OWNED BY THE USER OF A UTILITY TUNNEL,
17 INCLUDING, BUT NOT LIMITED TO, A PIPELINE, ELECTRICAL TRANSMISSION
18 LINE, OR BROADBAND CABLE WITHIN THE UTILITY TUNNEL.