REFUNDING BONDS OF MACKINAC BRIDGE AUTHORITY; TRANSFER OF AUTHORITY TO STATE HIGHWAY DEPARTMENT
Act 13 of 1966

AN ACT to implement the provisions of section 14 of the schedule and temporary provisions of the constitution of this state by providing for the issuance and sale of full faith and credit bonds of the state to refund the outstanding bonds heretofore issued by the Mackinac bridge authority and upon such refunding to abolish the Mackinac bridge authority and to transfer the operation, maintenance, repair and replacement of the Mackinac bridge to the state highway department with power to fix and collect tolls, fees and charges for the use of the bridge, its services and facilities.

History: 1966, Act 13, Imd. Eff. Apr. 6, 1966.

The People of the State of Michigan enact:

254.361 Refunding bonds; issuance, purpose.

Sec. 1. The state may borrow money and issue its refunding bonds for the purpose of refunding the following outstanding bonds issued by the Mackinac bridge authority, and agency and instrumentality of this state created by Act No. 21 of the Public Acts of the Extra Session of 1950, being sections 254.301 to 254.304 of the Compiled Laws of 1948, pursuant to Act No. 214 of the Public Acts of 1952, as amended, being sections 254.311 to 254.331 of the Compiled Laws of 1948, and a certain indenture between the Mackinac bridge authority and the Detroit trust company, dated July 1, 1953:

(a) Bridge revenue bonds, series A (Mackinac straits bridge), dated July 1, 1953, in the principal sum of $79,800,000.00;

(b) Bridge revenue bonds, series B (Mackinac straits bridge), dated July 1, 1953, in the principal sum of $20,000,000.00.

History: 1966, Act 13, Imd. Eff. Apr. 6, 1966;—Am. 1967, Act 112, Imd. Eff. June 27, 1967.

254.362 Refunding bonds; amount; application of funds, pledge of state credit, appropriation.

Sec. 2. The refunding bonds shall be issued in an amount sufficient to pay the costs of refunding of said outstanding bonds, which costs of refunding shall be deemed to include (a) the principal amount of the bonds to be refunded, (b) the amount of premium required to be paid for the redemption of the bonds to be refunded, (c) a reserve fund to be used for operation and maintenance costs of the bridge or for payment of interest or principal on the refunding bonds, which reserve fund shall be in a total amount not exceeding $1,000,000.00, and (d) costs and other expenses of refunding in an amount not exceeding 1/8 of 1% of the principal amount of bonds to be refunded. Money of the Mackinac bridge authority on hand in any of the funds provided in the existing trust indenture at the time of refunding shall be used and applied as follows: first, an amount sufficient to pay the interest due on the outstanding bonds to be refunded on the redemption date fixed therefor shall be deposited with the paying agent for the outstanding bonds, and second the balance shall be applied to reduce the amount of refunding for which the refunding bonds authorized by this act are to be issued. The full faith and credit of the state shall be pledged to the prompt payment of the principal of and interest on the refunding bonds as they become due. There is appropriated from the general fund each year during the life of any refunding bonds issued under this act a sum equal to the amount of the principal and interest payments due and payable thereon in each such year.

History: 1966, Act 13, Imd. Eff. Apr. 6, 1966.

254.363 Refunding bonds; issuance and sale, terms and conditions.

Sec. 3. The state highway commission, hereinafter sometimes referred to as the commission, may provide by resolution for the issuance and sale of the refunding bonds and for the retirement thereof, and for any other matters in connection with the refunding bonds not inconsistent with the provisions of this act. The resolution shall be approved by the state administrative board. The refunding bonds may be term or serial bonds issued in 1 or more series, or both, with dates of maturity not exceeding 35 years as determined by the commission and shall be in such denominations as fixed by the commission. They may be registrable as to principal only or as to both principal and interest, under such terms and conditions as may be determined by the commission. The commission may also provide for the issuance of registered bonds without coupons to replace coupon bonds. The bonds shall bear interest at a rate or rates not exceeding 5% per annum, payable semiannually except that the first interest payable may be for a period not exceeding 10 months, but the average net interest cost to the state on the money borrowed shall not exceed 3 1/2%. They may be made subject to redemption

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prior to maturity in whole or in part at such prices, upon such terms and at such times as may be fixed by the commission. The refunding bonds may recite that they are issued pursuant to this act which recital shall be conclusive evidence of their validity and the regularity of their issuance.

History: 1966, Act 13, Imd. Eff. Apr. 6, 1966;—Am. 1967, Act 112, Imd. Eff. June 27, 1967.

254.364 Refunding bonds; negotiability and tax exemption.

Sec. 4. Refunding bonds issued under this act shall be deemed to be negotiable instruments under the laws of the state, and the principal of and interest on the bonds is not subject to taxation by the state or any taxing authority therein.

History: 1966, Act 13, Imd. Eff. Apr. 6, 1966.

254.365 Refunding bonds; execution, officers, manner.

Sec. 5. The refunding bonds shall be executed for and on behalf of the state by the state treasurer and the secretary of state or their respective deputies. The right of a deputy to so act shall not be limited by any other statute specifying the circumstances under which he may act for his principal. Interest coupons may be executed by affixing thereto the facsimile signature of the official designated to execute them. If an officer whose signature appears on the refunding bonds or attached coupons ceases to be such officer before delivery of the refunding bonds, his signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery.

History: 1966, Act 13, Imd. Eff. Apr. 6, 1966.

254.366 Issuance and sale of refunding bonds; approval of board, commission or agency.

Sec. 6. In the issuance and sale of the refunding bonds, it shall not be necessary to secure the approval of any board, commission or agency of the state except as provided in this act.

History: 1966, Act 13, Imd. Eff. Apr. 6, 1966.

254.367 Public sale; terms and conditions; disposition of proceeds.

Sec. 7. The refunding bonds shall be sold at public sale upon such terms and conditions as shall be determined by the commission with the approval of the state administrative board. The proceeds from the sale of the bonds shall be made available for the redemption of the bonds to be refunded thereby, but in the meantime may be invested in United States government securities redeemable prior to the time the money is necessary for the redemption of the bonds to be refunded.

History: 1966, Act 13, Imd. Eff. Apr. 6, 1966.

254.368 Powers of commission.

Sec. 8. The commission may do all things necessary in connection with the issuance and sale of the refunding bonds and the retirement of the bonds to be refunded thereby, except to the extent that the retirement powers are now vested in the Mackinac bridge authority, and in that respect the authority shall do all things necessary to accomplish the retirement when the funds are available therefor. The commission may employ such fiscal agents and attorneys as may be necessary to accomplish the purposes of this act and the costs thereof shall be included as a part of the costs of refunding as provided in section 2.

History: 1966, Act 13, Imd. Eff. Apr. 6, 1966.

254.369 Repealed. 2005, Act 329, Imd. Eff. Dec. 28, 2005

Compiler's note: The repealed section pertained to transfer of operation of Mackinac bridge to state highway department.

254.370 Fixing of tolls, fees, rents, and charges; commission powers, legislative intent.

Sec. 10. The commission from time to time shall establish and fix tolls, fees, rents and charges for the use of the bridge and its services and facilities, the proceeds of collection thereof to be used: first, for expenses of operation and maintenance of the bridge, second, for the replenishment of the reserve fund provided for in section 2 to its full required amount of $1,000,000.00, and third, for the payment of the principal of and interest on the refunding bonds when due, which amounts shall be deposited, quarterly or oftener, with the state treasurer and used for such payment. Except as hereinafter provided it is the intent of the legislature that the tolls, fees, rents and charges, as near as is reasonably possible within the limitations herein expressed, shall provide sufficient funds to pay the costs of operating and maintaining the bridge and to pay the principal of and interest on the refunding bonds when due. If any specific taxes or funds of the state, or any portion thereof, except the general fund, are at any time allocated, appropriated or earmarked by law for the payment of the principal of and interest on the refunding bonds, and the cost of operating and maintaining the bridge, the tolls, fees, rents and charges shall be revised to give credit for the moneys so allocated, appropriated or

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earmarked by law, and if the specific taxes or funds of the state so allocated, appropriated and earmarked are sufficient to provide all necessary funds for the payment thereof including the refunding of the bonds as they mature, no further tolls, fees, rents or charges shall be fixed or collected for such purpose, but the tolls, fees, rents or charges shall be fixed and collected only in such amount as will provide moneys within the limitations expressed in this act to operate and maintain the bridge. The provisions of this section shall be construed in no way to affect or limit the general obligation of the state to pay the principal of and interest on the refunding bonds as the same shall mature.

History: 1966, Act 13, Imd. Eff. Apr. 6, 1966.

254.371 Operation of bridge as part of state highway system; expenses, tolls and fees.

Sec. 11. At such time as the refunding bonds authorized by this act are retired in full, the Mackinac bridge shall be operated by the state highway department as a part of the state highway system and all expenses in connection with the operation and maintenance of the bridge shall be paid in the same manner as similar expenses in connection with the state highway system are paid. If authorized by law, the commission may charge and collect tolls, fees, rents and charges for the use of the bridge to provide all or any part of the costs of operation and maintenance of the bridge.

History: 1966, Act 13, Imd. Eff. Apr. 6, 1966.

254.372 Employees of authority; transfer to commission, credit for time.

Sec. 12. All employees of the Mackinac bridge authority shall be given the opportunity to transfer to the commission and be given credit for time employed by the authority and the employees now employed by the Mackinac bridge authority shall be employed in the operation of the bridge.

History: 1966, Act 13, Imd. Eff. Apr. 6, 1966.

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