

Draft 6/15/2009

MICHIGAN ECONOMIC DEVELOPMENT (MEDC)

[Editor's note: the draft of ARTICLE V is included in this document. To assist in orienting the reader, remaining articles of the draft Michigan economic development code, including source statutes, are outlined in a separate document.]

ARTICLE V - MICHIGAN INTERNATIONAL TRADE DEVELOPMENT**DIVISION I – DEFINITIONS****Sec. 15102: Definitions.**

As used in this article:

- (a) “Act of congress” means the act of congress approved June 18, 1934, entitled “An act to provide for the establishment, operation and maintenance of foreign trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes”.
- (b) “Export development authority” means the Michigan export development authority created by section 15253.
- (c) “Export development board” means the board of directors of the authority established by section 15254.
- (d) “Constituent unit” means a city or county requesting the incorporation of a port authority.
- (e) “Eligible export loan” means a loan by a participating financial institution located within this state the proceeds of which are restricted to the financing of eligible export transactions.
- (f) “Eligible export transaction” means the sale of goods or services, or the development of goods or services for sale, outside of the United States by a person doing business in this state, which goods or services, in the judgment of the authority, have a substantial portion of their value created within this state and which sale or development, in the judgment of the authority, creates or maintains employment in this state.
- (g) “Export insurance” means insurance made available by the export development authority to protect an exporter against a foreign buyer's failure to pay for goods or services for political or commercial reasons. The amount of the

loss covered for each transaction and particular risks shall be determined by the authority.

(h) “Governing body of the city” means the city council or city commission of a city requesting incorporation of a port authority created under this code.

(i) “Governing body of the county” means the county board of commissioners of a county participating in an authority created under this code.

(j) “Grant” means an amount of money provided by the export development authority to a nonprofit organization.

(k) “Guarantee” means a guarantee against loss, in whole or in part, of principal of and interest on an eligible export loan. The guarantee may include, without limitation, insurance against loss up to the guarantee amount. A single guarantee may encompass several individual eligible export loans or eligible export transactions.

(l) “Guarantee amount” means the maximum amount payable under a guarantee which amount shall be specifically set forth in writing at the time the guarantee is entered into by the export development authority.

(m) “Participating financial institution” means a bank as defined by the banking code of 1999, 1999 PA 276, MCL 487.11101 to 487.15105, an agency or branch of a foreign banking corporation licensed by the commissioner of the financial institutions bureau, or a national bank, state or federal savings and loan association, or savings bank or federal credit union located within this state that has been approved by the export development board to participate in guaranteed funding for eligible export loans and transactions within the purposes of this part.

(n) “Person” means an individual, corporation, association, partnership, governmental agency, or any other legal entity, [unless another meaning is obvious from the context in which the word appears. \[Editor’s note, the highlighted language was added, because the word “person” appears to mean “natural person” in much of this article.\]](#)

(o) “Port authority” means a port authority created pursuant to section 15504.

(p) “Port facilities” means those facilities owned by the port authority such as: seawall jetties; piers; wharves; docks; boat landings; marinas; warehouses; storehouses; elevators; grain bins; cold storage plants; terminal icing plants; bunkers; oil tanks; ferries; canals; locks; bridges; tunnels; seaways; conveyors; modern appliances for the economical handling, storage, and transportation of freight and handling of passenger traffic; transfer and terminal facilities required for the efficient operation and development of ports and harbors; other harbor

(q) “Private corporation” means any corporation organized pursuant to Act No. 327 of the Public Acts of 1931, as amended, being sections 450.1 to 450.192 of the Compiled Laws of 1948, for the purpose of establishing, operating and maintaining foreign trade zones according to the provisions of this code.

(r) “Project” means the acquisition, purchase, construction, reconstruction, rehabilitation, remodeling, improvement, enlargement, repair, condemnation, maintenance, or operation of port facilities.

(s) “Public corporation” means the state, or any county, township, city or village within the state, or any state or municipal authority or similar organization financed in whole or in part by public funds.

(t) “Qualifying financial institution” means a state or national chartered bank, a state or federal chartered credit union, a state or federal chartered savings and loan association, or savings bank, or an institution under the farm credit act of 1971, Public Law 92-181, 85 Stat. 583.

DIVISION II: STATE FOREIGN TRADE INFRASTRUCTURE

PART A: Export Development.

[Drafter’s note, the following text comes from the MI Export Development Act (PA 157 of 1986) corresponding to MCL 447.151-168, and section numbering (last two digits) corresponds to same section in that Act, for ease of comparison.]

Sec. 15253: Michigan export development authority; creation; budgeting, procurement, and related functions; purpose of authority

(1) The Michigan export development authority is created as a body politic and corporate within, but not as a part of, the department of agriculture. The authority shall exercise the authority's prescribed statutory powers, duties, and functions independently of the director of the department of agriculture and independently of the commission of agriculture. The budgeting, procurement, and related functions of the authority shall be performed under the direction and supervision of the director of the department of agriculture.

(2) The purpose of the export development authority is:

(a) To assist, promote, encourage, develop, and advance economic prosperity and employment throughout this state by fostering the expansion of exports of goods and services to foreign purchasers.

(b) To cooperate and act in conjunction with other organizations, public and private, the objects of which are the promotion and advancement of export trade activities in this state.

(c) To provide guarantees and grants and to locate sources and export insurance to support export development not otherwise available.

(d) To provide information and referrals to, and to act as a clearinghouse for, potential and existing exporters.

Sec. 15254: Board of directors; appointment, qualifications, and terms of members; vacancy; oath or affirmation; reimbursement for expenses; election of chairperson, vice-chairperson, secretary, and other officers; quorum; majority vote sufficient for action; vote necessary for bonds.

(1) The governing and administrative powers of the export development authority are vested in a board of directors consisting of 12 members. Three members shall be the director of the department of commerce, the director of the department of agriculture, and the state treasurer. The director of commerce, the director of the department of agriculture, and the state treasurer shall serve as full voting members of the export development board and may appoint a representative to serve as a voting member in their absence. Nine members shall be appointed by the governor with the advice and consent of the senate.

(2) At least 6 of the members shall be from the private sector. An appointed member of the authority shall be a resident of this state. An appointment to fill a vacancy of an appointed member shall be made in the same manner as the original appointment. Of the 9 members appointed by the governor for a fixed term, 1 shall be appointed from 1 or more nominees of the speaker of the house of representatives and 1 shall be appointed from 1 or more nominees of the senate majority leader.

(3) At least 1 of the appointed members of the export development board shall be a person of recognized ability and experience in each of the following areas:

- (a) Finance.
- (b) International trade.
- (c) Business management.
- (d) Economics.
- (e) Agriculture.

(4) Of the original 9 appointed members, 3 members shall be appointed for terms expiring on the third Monday in June, 1986; 3 members shall be appointed for terms expiring on the third Monday in June, 1987; and 3 members shall be appointed for terms expiring on the third Monday in June, 1988. Their respective successors shall be appointed for terms of 3 years from the third Monday in June

of the year of appointment. A member shall serve until his or her successor is appointed and qualified.

(5) Before beginning his or her duties, a member of the export development board shall take and subscribe the constitutional oath of office. A record of each oath or affirmation shall be filed in the office of the secretary of state.

(6) A member of the export development board is not entitled to compensation for services as a member, but may be reimbursed for all actual and necessary expenses incurred in connection with the performance of duties as a member.

(7) The export development board annually shall elect 1 of its members as chairperson, 1 of its members as vice-chairperson, and 1 member as secretary. The export development board may elect other officers as it considers proper. Six members of the export development board constitute a quorum, and the affirmative vote of the majority of members present at a meeting of the export development board is necessary and sufficient for an action taken by the board. The affirmative votes of not less than 6 members are necessary for the approval of a resolution authorizing the issuance of bonds under this part.

Sec. 15255: Effect of vacancy in membership of export development board; authorization and effective date of action by board; delegation of powers and duties; liability or accountability on contract, commitment, or agreement; liability for damage or injury; indemnification of board members and staff officers; appointment of employees to unclassified positions; terms.

(1) A vacancy in the membership of the export development board shall not impair the right of a quorum to exercise all rights and perform all the duties of the board. An action taken by the export development board may be authorized by resolution at a regular or special meeting and shall take effect upon the date the resolution is approved by the board unless some other date is provided in the resolution.

(2) The export development board may delegate to 1 or more of its members or to an official, agent, or employee of the authority the powers and duties as the board considers proper.

(3) A member of the export development board or a person acting on behalf of the export development authority executing a contract, commitment, or agreement issued under this part shall not be personally liable or accountable on the contract, commitment, or agreement.

(4) A member of the export development board or a person acting on behalf of the export development authority shall not be liable personally for damage or injury resulting from the performance of his or her duties arising under this part. The authority shall indemnify and procure insurance indemnifying the members of the export development board and staff officers appointed by a resolution of the board from personal loss or accountability from liability asserted by a person on the bonds or notes of the fund or from any personal liability or accountability by reason of the issuance of the bonds, notes, insurance, or guarantees; or by reason of any other action taken or the failure to act by the authority.

(5) The export development board may appoint up to 2 employees to unclassified positions not included in the state civil service to serve for terms at the pleasure of the board.

Sec. 15256: Conducting business at public meeting; notice; availability of writings to public; confidentiality.

(1) The business which the export development authority may perform shall be conducted at a public meeting of the authority held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(2) Except as provided in subsection (3), all writing prepared, owned, used, in the possession of, or retained by the export development authority in the performance of an official function shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

(3) Information submitted to or compiled by the authority in connection with the authority's responsibilities with respect to the identity, background, finance, marketing plans, trade secrets, or any other commercially sensitive information of persons, firms, associations, partnerships, agencies, corporations, or other entities is confidential, except to the extent that the person or entity which provided the information consents to disclosure.

Sec. 15257: Powers of authority generally.

The export development authority shall possess all the powers of a body politic and corporate necessary and convenient to accomplish the purposes of this part including, but not limited to, all of the following powers:

- (a) To borrow money and otherwise incur indebtedness for any of its purposes including the issuance of bonds, debentures, notes, or other evidence of indebtedness, whether secured or unsecured.
- (b) To purchase, discount, sell, or negotiate, with or without guaranty notes, other evidences of indebtedness, and to sell and guarantee securities.
- (c) To lend money to a financial institution in the form of an eligible export loan which is used to finance eligible export transactions.
- (d) To procure or locate sources of export insurance. To provide guarantees to guarantee, insure, coinsure, or reinsure against risk of loss, and other insurance or guarantees as the authority may consider necessary.
- (e) To provide financial counseling services to businesses of this state.
- (f) To procure insurance to secure the payment of principal and interest on bonds, notes, or other obligations of the authority.
- (g) To accept gifts, grants, or loans from, and enter into contracts or other transactions with, a federal or state agency, a municipality, a private organization, or any other source. To charge and collect fees for its services. To enter into contracts or other agreements with the export-import bank of the United States, the foreign credit insurance association, or other federal agencies or instrumentalities.
- (h) To adopt, and from time to time to amend or rescind a bylaw or rule of the authority as may be necessary or convenient for the performance of its functions, powers, and duties under this part.
- (i) To sue and be sued.
- (j) To purchase; receive; take by grant, gift, devise, bequest, or otherwise; lease; or acquire, own, hold, improve, employ, use, or deal in and with real or personal property, or any interest in real or personal property, wherever situated.
- (k) To sell, convey, lease, exchange, transfer, or otherwise dispose of property or an interest in property, wherever situated.
- (l) To promulgate rules necessary to carry out the purposes of this part and to exercise the powers expressly granted in this part pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(m) To lead, participate in, support, or otherwise cooperate in trade missions, trade shows, and related efforts to encourage the export of Michigan goods and services.

(n) To sponsor or foster a foreign sales corporation as defined in section 922 of the internal revenue code of 1986, 26 U.S.C. 922. To establish, participate, and secure federal approval for an export trading company under the export trading company act of 1982, Public Law 97-290, 96 Stat. 1233, or equivalent entities under similar federal legislation. The authority may in connection with any entities created under this subdivision acquire and transfer title to goods and corporate or partnership ownership interest, and may enter into joint ventures with other export trading companies.

(o) To exercise all other powers and functions necessary or appropriate to carry out the duties and purposes set forth in this part.

Sec. 15258: Guarantee or export insurance for eligible export transaction; requirements; fees; determinations; condition to provision of guarantee or export insurance.

(1) The export development authority may provide a guarantee or export insurance for an eligible export transaction. Any guarantee or export insurance entered into by the authority under this part shall not constitute a general obligation of this state. Guarantees or export insurance provided by the authority under this part shall not be terminated, canceled, or otherwise revoked except in accordance with the terms of the guarantee or export insurance; shall be conclusive evidence that the guarantee or export insurance complies fully with the provisions of this part; and shall be valid and incontestable in the hands of a holder in due course of a guaranteed eligible export loan.

(2) The authority may charge reasonable fees for providing guarantee or export insurance pursuant to this section to a participating financial institution.

(3) Before providing financing for an eligible export transaction, a participating financial institution shall determine the exporter's viability, the economic benefits to be derived from the eligible export transaction, the prospects for repayment, and any other facts that it considers necessary in order to determine that the guarantee or export insurance is consistent with the purposes of this part.

(4) The authority shall provide the guarantee only if, and to the extent that, the authority determines in its sole discretion that at least 1 of the following is true:

(a) The guarantee is reasonably necessary in order to stimulate or facilitate the making of an eligible export transaction including, without limitation, the making

of the eligible export transaction upon terms that will enable the transaction to be reasonably competitive with transactions in other states or in foreign countries.

(b) The guarantee is reasonably necessary in order to stimulate or facilitate the resale of an eligible export loan to a holder in due course that otherwise would not purchase the eligible export loan and documentation is provided by the financial institution indicating refusal to provide a loan sufficient for the eligible export transaction.

(5) The authority may condition the provision of guarantee or export insurance under this section upon such other terms and conditions as the authority considers desirable to carry out the purposes of this part.

Sec. 15258a. Grant to non-profit organization; purposes.

The export development authority may provide a grant to a non-profit organization for 1 or more of the following purposes:

- (a) To encourage establishment or expansion of business operations related to exports which will create or maintain employment in this state.
- (b) To research industrial and commercial innovations which are likely to increase exports from this state.
- (c) To conduct market research to determine the potential for increasing goods and services from this state

Sec. 15259: Bonds generally

The export development authority may issue, sell, and provide for the retirement of bonds in the amount of \$50,000,000.00 to provide funds for the creation and operation of the authority. These bonds shall be limited obligations of the authority, the principal of and interest on which shall be payable solely out of the revenues derived by the authority. Bonds issued under this part shall not constitute an indebtedness of the state or the authority within the meaning of any state constitutional provision or statutory limitation, but the bonds shall be indebtedness payable solely from bond revenues and fees, interest on the revenues and fees, and funds established for the payment of the bonds, and shall not constitute nor give rise to a pecuniary liability of the state or the authority, to a charge against the general credit of the authority or the state, or to a charge against the taxing powers of the state, and that fact shall be plainly stated on the face of each bond.

Sec. 15260: Bonds and notes generally

(1) Bonds issued under this part may be executed and delivered at any time, may be issued as a single issue or from time to time as several issues, may be in the form and denominations, may be in coupon or registered form, may be payable in installments and at such time or times not exceeding 30 years from their date, may be subject to the terms of redemption, may be payable at such place or places, may bear interest at the rate or rates as may be set, reset, or calculated from time to time, or may bear no interest and may contain provisions not inconsistent with this part, all of which shall be provided in the resolution of the authority authorizing the bonds.

(2) Bonds issued under the authority of this part may be sold at public or private sale at the price and in the manner and from time to time as may be determined by the authority to be most advantageous. The authority may pay all expenses, premiums, insurance premiums, and commissions that the authority considers necessary or advantageous in connection with the authorization, sale, and issuance of the bonds from proceeds of the bonds.

(3) Bonds or notes issued by the authority are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. The bonds issued by the authority are not required to be registered. A filing of a bond of the authority is not required under the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818.

Sec. 15261: Bonds or security agreement; resolution; trustee or depository.

(1) The resolution under which the bonds are authorized to be issued or any security agreement, including an indenture or trust indenture to be entered into in connection with the bonds, may contain any agreements and provisions customarily contained in instruments securing bonds including, without limiting the generality of the foregoing, provisions respecting the fixing and collection of obligations, the creation and maintenance of special funds, and the rights and remedies available, in the event of default, to the bondholders or to the trustee under the security agreement, all as the authority considers advisable and as is not in conflict with this part. However, in making an agreement or provisions, the authority may not obligate itself, except with respect to eligible export loans and transactions, and may not incur a pecuniary liability or a charge upon the general credit of the authority or of the state, or against the taxing powers of the state.

(2) The resolution of the export development authority authorizing bonds under this part and security agreement securing the bonds may provide that, in the event of default in payment of the principal of or the interest on the bonds or in the performance of an agreement contained in the proceedings or security agreement, the payment and performance may be enforced by mandamus or by the appointment of a receiver in equity with power to charge and collect any

obligations and to apply any revenues pledged in accordance with the proceedings or the provisions of the security agreement. A security agreement also may provide that, in the event of default in payment or the violation of an agreement contained in the security agreement, the agreement may be foreclosed by proceedings at law or in equity, and may provide that a trustee under the security agreement or the holder of any of the bonds secured by the security agreement may become the purchaser at any foreclosure sale, if he or she is the highest bidder. A breach of any such agreement shall not impose pecuniary liability upon this state or the authority or a charge upon the general credit of the authority or of the state or against the taxing power of the state.

(3) A trustee under a security agreement, or a depository specified by a security agreement, may be a person or corporation the authority designates, notwithstanding that the person or corporation may be a nonresident of the state or incorporated under the laws of the United States or any state of the United States.

Sec. 15262: Bonds; refunding

(1) Bonds issued under this part and at any time outstanding, at any time and from time to time, may be refunded by the export development authority by the issuance of its refunding bonds in an amount as the authority considers necessary, but not exceeding an amount sufficient to refund the principal of the bonds to be refunded, together with any unpaid interest on the bonds and any premiums, expenses, and commissions necessary to be paid in connection with the bonds. Refunding may be effected whether the bonds to be refunded have matured or will mature in the future, either by sale of the refunding bonds to be refunded or by exchange of the refunding bonds for the bonds to be refunded by the refunding bonds.

(2) The holders of any bonds to be refunded shall not be compelled without their consent to surrender their bonds for payment or exchange before the date on which the bonds are payable, or, if the bonds are called for redemption, before the date on which the bonds are by their terms subject to redemption. All refunding bonds issued under the authority of this section shall be payable in the same manner and under the same terms and conditions as are provided in this part for the issuance of bonds.

Sec. 15263: Proceeds from sale of bonds; application; export development bond fund as separate fund; investments and earnings

(1) The proceeds from the sale of any bonds issued under this part shall be applied only for the purpose for which the bonds were issued. However, any premium or secured interest received in a sale shall be applied to the payment of the principal of or the interest on the bonds sold. If for any reason a portion of the proceeds shall not be needed for the purpose for which the bonds were issued, the unneeded

portion of the proceeds shall be applied to the payment of the principal of or the interest on the bonds.

(2) The proceeds of bonds issued under this part shall be kept in a separate fund to be known as the export development bond fund, which separate fund is created in the state treasury. All other money received by the authority also shall be deposited in this fund. With the approval of the export development board, the state treasurer may invest and reinvest all money in the fund from time to time in such obligations of the United States or of such other governmental or corporate issuers as the state treasurer, with the approval of the export development board, considers appropriate. All earnings upon the investments shall be added to the fund.

Sec. 15266: Insurance fund; insurance pledged as security.

(1) The export development authority may create an insurance fund consisting solely of funds from the export development bond fund. The insurance fund shall be held in the custody of 1 or more financial institutions having a principal place of business in this state. The insurance fund shall be held as security for the holders of bonds issued under this part.

(2) An insurance fund authorized by this section shall be governed by a trust agreement entered into by the authority with the trustees. The trust agreement may contain such provisions and limitations as to the investment and disbursement of money in the insurance fund; the payment of expenses of the insurance fund; the appointment, resignation, and discharge of trustees; the delegation of enforcement and collection powers under the insurance agreements to the trustee; the duties of the trustees; amendments of the trust agreement; and such other lawful provisions and limitations as the authority considers appropriate. The trust agreement may pledge premiums and other money that may be deposited in the insurance fund. The pledge shall be valid and binding from the time when the pledge is made. The premiums and other money so pledged and thereafter received by the insurance fund or by the trustees in its behalf immediately shall be subject to the lien of the pledge and shall be valid and binding as against all parties having claims of any kind against the insurance fund, irrespective of whether the parties have notice of the lien.

(3) The export development authority also may use export development bond funds to purchase insurance that shall be pledged for the security of the holders of any bonds issued under this part. In any case in which insurance is pledged as security, whether obtained through the insurance funds authorized to be created under this section or purchased with export development bond funds, any description of the insurance shall expressly indicate the limitation of the liability of the authority and that neither the credit nor taxing power of this state or of any political subdivision of this state shall be available to satisfy any obligations with respect to the insurance.

Sec. 15267: Bonds, debentures, notes, or other evidence of indebtedness as securities; investment; deposit

(1) The bonds, debentures, notes, or other evidence of indebtedness of the export development authority are made securities in which all public officers and bodies of this state and all municipal subdivisions of this state; all insurance companies and associations and other persons carrying on an insurance business; all banks, bankers, trust companies, savings banks, savings associations, including savings and loan associations and building and loan associations, investment companies and other persons carrying on a banking business; all administrators, guardians, executors, trustees, and other fiduciaries; and all other persons whatsoever who are now or who later may be authorized to invest in bonds or other obligations of this state may properly and legally invest funds, including capital, in their control or belonging to them.

(2) The bonds, debentures, notes, or other evidence of indebtedness of the authority also are made securities which may be deposited with and may be received by all public officers and bodies of this state and all municipal subdivisions of this state for any purpose for which the deposit of bonds or other obligations of this state are now or later may be authorized.

Sec. 15268: Annual report; contents; examination; audit.

(1) On January 1 of each year the export development authority shall report on its operations for the preceding fiscal year to the governor and the legislature. The report shall include a summary of the activities of the authority and a complete operating and financial statement. The report shall include, but not be limited to, information on the number, value, type of product, and destination of export transactions assisted, the type of assistance rendered for each by the authority, grants made pursuant to section 15258a and the results of those activities, trade shows attended, trade missions led, and any other information considered necessary for a competent evaluation or the authority's effectiveness.

(2) The authority shall be subject to examination by the state treasurer. The accounts of the authority shall be audited by the state auditor general or a certified public accountant appointed by the auditor general.

PART B: Division of International Commerce.

[Drafter's note, the following text comes from the Division of International Commerce Act (Act 24 of 1958), corresponding to MCL 447.101 to 447.103, and section numbering (last two digits) corresponds to same section in that Act, for ease of comparison.]

Sec. 15301: International commerce division; creation, director.

There is created in the department of commerce a division of international commerce. The head of the division of international commerce shall be the director who shall be directly responsible to the director of the department of commerce.

Compiler's Notes: For transfer of authority, powers, duties, functions, and responsibilities of the division of international commerce and foreign trade branch to the department of commerce and the authority, powers, duties, functions, and responsibilities of the Michigan international office, Michigan department of commerce, to the Michigan international trade authority, see E.R.O. No. 1994-3, compiled at MCL 447.212 of the Michigan Compiled Laws.

Sec. 15302: International commerce division; performance of duties within appropriations.

The division of international commerce within available appropriations shall accomplish the duties of the division prescribed by section 15216.

Sec: 15303: International commerce division; powers and duties

The division of international commerce shall serve as the focal point of the state for international activity and shall:

- (a) Conduct its own research and contract for outside research, when necessary, on such subjects as United States and foreign tariffs, United States and foreign nontariff barriers and business practices, trade statistics, individual country and industry markets, identification of the assets of this state in product offerings and investment opportunities, advances in international transport technology, and seaway and port service improvements.
- (b) Maintain a basic foreign trade library where the products of its research would be readily available.
- (c) Serve as the clearing house for the interchange of market and product information between industry of this state and foreign interests.
- (d) Prepare brochures, in foreign languages as required, which attractively and persuasively identify the international assets of this state in trade and investment.
- (e) Conduct specialized advertising programs in conjunction with specific promotional campaigns.

- (f) Collect and distribute to commercial libraries overseas directories, catalogues, brochures and other information of value to foreign businessmen.
- (g) Prepare articles for publication in state, national and foreign media.
- (h) Publish a series of specialized newsletters.
- (i) Prepare news releases on matters of timely interest.
- (j) Provide speakers bureau services for civic organizations and other private groups in this state.
- (k) Maintain continuing contacts with business of this state to encourage and, when appropriate, assist them in selling abroad.
- (l) Inform industrialists of this state of the advantages of overseas arrangements for local manufacturing through joint ventures and licensing.
- (m) Develop programs of mutual assistance with banks, shipping agents, combination export managers, freight forwarders, international consultants, and other trade intermediaries of this state.
- (n) Encourage and assist the expansion of international trade activities of the chambers of commerce, development commissions, trade associations and similar organizations in this state.
- (o) Maintain continuing contacts with federal agencies, the Congress, international organizations, foreign embassies, consulates and trade promotion offices in the United States, regional organizations, and colleges and universities.
- (p) Promote visits to this state by, and cooperate with, foreign businessmen and trade association representatives, to be coordinated where desirable with invitations to visit this state to the appropriate country's economic and commercial representatives in the United States.
- (q) Coordinate state activities when appropriate for state presentation before the United States trade commission, interstate commerce commission, trade information committee, federal maritime administration, congressional committees, and other similar bodies when the international interests of the state can thus be advanced.
- (r) Advertise and promote port utilization, including the mounting of missions to key shipping areas abroad.
- (s) Publish and distribute shipping schedules.

- (t) Serve as a central information and intelligence center for ports matters.
- (u) Coordinate intervention in Great Lakes rate and service cases.
- (v) Spearhead state activities to encourage improvements in the St. Lawrence seaway.
- (w) Coordinate more active and effective state participation in assisting local groups applying for foreign trade zones.

PART C. FOREIGN TRADE ZONES.

[Drafter's note, the following text comes from the Foreign Trade Zones Act 154 of 1963, corresponding to MCL 447.1- 447.3, and section numbering (last two digits) corresponds to same section in that Act, for ease of comparison.]

Sec. 15402: Foreign trade zones; application for establishment.

Any public or private corporation may make application for the privilege of establishing, operating and maintaining a foreign trade zone in accordance with the act of congress.

Sec. 15403: Foreign trade zones; rules and regulations.

Any public or private corporation, whose application is granted pursuant to the act of congress, may establish, operate and maintain a foreign trade zone subject to the conditions and restrictions of the act of congress and any amendments thereto, and under such rules and regulations and for the period of time that may be prescribed by the board established by the act of congress to carry out the provisions of this part.

PART D: Port Authorities.

[Drafter's note, the following text comes from the Hertel-Law-T. Stopczynski Port Authority Act (PA 639 of 1978), corresponding to MCL 120.101-.130, and section numbering (last two digits) corresponds to same section in that Act, for ease of comparison.]

Sec. 15503: Port authority; exercise of powers and duties; jurisdiction

A port authority may exercise and apply any or all of its powers and duties as prescribed and set forth in this part, within the respective boundaries of the county

or counties creating a port authority under this part, including jurisdiction over commercially navigable water lying therein.

Sec. 15504: Port authority; incorporation; recommendations; articles of incorporation; body corporate and politic; public purpose.

(1) A city and county, a combination of counties or a combination consisting of at least 1 city and 1 county, by joint resolution of their respective governing bodies, may request the governor to authorize the incorporation of a port authority. The governor shall consider the recommendations of the state transportation department and the department of commerce in authorizing the port authority. The initial articles of incorporation shall be approved by the governor and may thereafter be amended by resolution of the authority, subject to approval by the governor. After approval by the governor, the articles of incorporation and any amendments to those articles shall be effective upon filing with the secretary of state.

(2) A port authority created under this part shall be a body corporate and politic.

(3) The exercise by a port authority of the powers conferred by this part shall be considered and held to be an essential governmental function and a benefit to, and a legitimate public purpose of the state, the authority, and the constituent units.

Sec. 15505: Port authority; appointment and terms of members; vacancy; reappointment; chairperson, vice-chairperson, and secretary-treasurer; quorum; voting; expenses; liability.

(1) Except as provided in subsection (5), a port authority shall consist of 5 or 7 members as follows:

(a) One member shall be appointed by the governor.

(b) The remaining members shall be appointed by the governing body of each city and the governing body of each county that requested the incorporation of the authority. The representation on, and the number of members of, the authority shall be determined by agreement among the incorporating units and included within the joint resolution requesting incorporation of the authority.

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

(3) The members shall elect 1 of their membership as chairperson and another as vice-chairperson, shall designate the terms of office of those officers, and shall appoint a secretary-treasurer who need not be a member. A majority of the members of the authority shall constitute a quorum. The affirmative vote of a majority of the members shall be necessary for any action taken by the authority.

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

(5) An authority that is established in a county having a population of 1,500,000 or more shall consist of 5 members as follows:

(a) One member shall be appointed by the governor.

(b) Two members shall be appointed by a majority of all the members of the county board of commissioners of the county. The members appointed shall be nominated by the commissioners on the board who do not reside within the political boundaries of a city having a population of 750,000 or more.

(c) Two members shall be appointed by the mayor of a city having a population of 750,000 or more that is located in the county.

(6) To the extent not protected by the immunity conferred by 1964 PA 170, MCL 691.1401 to 691.1415, a member of the port authority appointed under this section who exercises the powers contained in this part in good faith is immune from civil or administrative liability arising from that conduct, unless the conduct was gross negligence or willful and wanton misconduct.

Sec. 15506: Bond of secretary-treasurer

Before the issuance of any bonds, notes, or other evidences of indebtedness under this part, the secretary-treasurer of a port authority shall execute a bond in the penal sum of \$100,000.00, conditioned upon the faithful performance of the duties of the office and executed by a surety company authorized to transact business in this state as surety. The bond shall be filed in the office of the secretary of state. The premium of the bond shall be a current expense of the authority.

Sec. 15507: Advisory committees and councils

A port authority may organize and create advisory committees and councils to serve at the pleasure of the authority for terms and purposes considered to be in the best interest of furthering the intent and purpose of this part. The committees and councils shall be made up of persons especially skilled, knowledgeable, or experienced in international trade, finance, commerce, transportation, or labor.

Members of the committees or councils shall serve without compensation but shall be entitled to reasonable and necessary expenses incurred in the discharge of their duties.

Sec. 15508: Port authority; powers generally.

A port authority may:

- (a) Adopt, amend, and repeal bylaws for the regulation of its affairs and the conduct of its business.
- (b) Sue and be sued on the same basis as the state; and adopt and register with the secretary of state an official seal and alter that seal at its pleasure.
- (c) Maintain offices at a place or places, either within or without its jurisdiction as it may determine.
- (d) Acquire, construct, reconstruct, rehabilitate, improve, maintain, lease as lessor or as lessee, repair, or operate port facilities within its territorial jurisdiction, including the dredging of ship channels and turning basins and the filling and grading of land therefor. An authority may operate a leased facility, owned by the authority, if the lessee defaults and a new lease is negotiated or competitively bid.
- (e) Designate the location and character of the port facilities which the authority may hold or own or over which it is authorized to act and regulate all matters related to the location and character of those port facilities.
- (f) Acquire, hold, and dispose of real and personal property.
- (g) Make directly, or through the hiring of expert consultants, investigations and surveys of whatever nature, including studies of business conditions, freight rates, port services, physical surveys of the conditions of channels and structures, and the necessity for additional port facilities for the development and improvement of commerce and recreation and for the more expeditious handling of that commerce and recreation, and make studies, surveys, and estimates, as necessary for the execution of its powers under this part.
- (h) Promulgate all necessary rules to fulfill the purposes of this part.
- (i) Issue its bonds, notes, or other evidences of indebtedness as provided in this part.
- (j) Fix and revise from time to time and charge and collect rates, fees, rentals, or other charges for the use of a facility owned by the authority.

Sec. 15509: Port authority; additional powers.

A port authority may:

(a) Appear in its own behalf before boards, commissions, departments, or other agencies of the federal government or of any state or international conferences and before committees of the congress of the United States and the state legislature in all matters relating to the design, establishment, construction, extension, operation, improvement, repair, or maintenance of a project operated and maintained by the authority under this part, and appear before any federal or state agencies in matters relating to transportation rates, port services and charges, demurrage, switching, wharfage, towage, pilotage, differentials, discriminations, labor relations, trade practices, river and harbor improvements, aids to navigation, permits for structures in navigable waters, and all other matters affecting the physical development of, and the business interest of, the authority and those it serves.

(b) Make application for, receive and accept from any federal, state, or municipal agency, foundation, public or private agency, or individual, a grant or loan for, or in aid of, the planning, construction, operation, or financing of a port facility; and receive and accept contributions from any source of money, property, labor, or other things of value, to be held, used, and applied for the purposes for which the grant or contribution may be made.

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

(d) Employ personnel as is necessary and employ the services of private consultants and engineers, legal counsel, accountants, construction and financial experts, and other agents for rendering professional and technical assistance and advice as may be necessary, and whose compensation, including the executive director, shall be determined by the authority.

Sec. 15510: Port authority; additional powers.

A port authority may:

(a) Subject to the authority of the federal government and the state and with the agreement of the constituent units, provide for the preservation of navigation within its territorial jurisdiction, including the establishment by regulation of lines beyond which piers, bulkheads, wharves, pilings, structures, obstructions, or extensions of any character may not be built, erected, constructed, or extended; provide by regulation for the stationing, anchoring, and movement of vessels or other watercraft; adopt rules to prevent material, refuse, or matter of any kind from being thrown into,

deposited, or placed where it may fall, or be washed, into navigable waters under its jurisdiction; ascertain the depth and course of the channels of those navigable waters; erect and maintain, authorize the erection and maintenance of, and make rules respecting wharves, bulkheads, piers, and piling, and the keeping of the same in repair, to prevent injury to navigation or health; regulate the use of wharves, docks, piers, bulkheads, or pilings owned by it; lease or rent the same, and impose and collect dockage from vessels and watercraft lying at, or using the same; and collect wharfage and other charges upon goods, wares, merchandise or other articles landed at, shipped from, stored on, or passed over the same.

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

(c) Lay out, construct, acquire, operate, lease, sell, and convey planned industrial districts as a part of port facilities within its jurisdiction, subject to the restrictions contained in this part upon operation and ownership of port facilities.

(d) Do all acts and things necessary or convenient to promote and increase commerce and recreation within its territorial jurisdiction and carry out the powers expressly granted and any powers implied or necessary for the exercise of the powers expressly granted in this part.

Sec. 15511: Port authority; liability

Except with respect to docks or wharves owned, controlled, or operated by, the port authority, this part shall not be construed to impose a duty upon an authority to a person using its waters in regard to the safety thereof, or to render an authority liable for loss of life or injury or damage to person or property, by reason of an obstruction in, or unsafe condition of, any part of its waters, nor shall this part be construed to render the authority liable in damages or otherwise for an omission to pass or enforce a rule or resolution made under this part.

Sec. 15512: Acquisition of property by purchase, lease, or condemnation; sale or removal of structures; sale or lease of property.

(1) A port authority may acquire by purchase or lease, when it considers the purchase or lease expedient, lands, structures, property, rights, rights of way, franchises, easements, and other interests in lands as it considers necessary or convenient for the construction or operation of a project, upon terms and at a price as considered reasonable and agreed upon between the authority and the owner thereof.

(2) A port authority may acquire by condemnation lands, property rights, rights of way, franchises, easements, and other property, or parts thereof or rights therein, of a person, partnership, association, or corporation considered by the authority to be necessary for the construction or efficient operation of a project. However, a facility currently operated as a port facility by a terminal operator or a facility owned or operated by and for the exclusive use of the owner or operator and a facility owned or operated by a common carrier or public utility shall be exempt from this subsection. The condemnation shall be made in the manner provided by Act No. 295 of the Public Acts of 1966, as amended, being sections 213.361 to 213.391 of the Michigan Compiled Laws, except where that procedure may be inconsistent with this part.

(3) A port authority may sell or remove the buildings or other structures upon lands taken by the authority, and may sell or lease lands or rights or interest in lands or other property taken or purchased for the purposes of this part.

Sec. 15513: Contracts for acquisition, improvement, enlargement, or extension of port facilities; payment of cost; pledge of full faith and credit; tax levy; methods of raising funds; assessment of costs.

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

(2) Each contracting constituent unit shall pledge its full faith and credit for the payment of its obligations under the contract. If the constituent unit has taxing power, each year it shall levy a tax upon all real and personal property within the constituent unit, which may be imposed without limitation as to rate or amount, to the extent necessary for the prompt payment of that part of the contract obligations as shall fall due before the following year's tax collection. The tax shall be in addition to any tax which the contracting constituent unit may otherwise be authorized to levy and may be imposed without limitation as to rate or amount, but shall not be in excess of the rate or amount necessary to pay the contract obligation. If any contracting constituent unit at the time of its annual tax levy has on hand in cash any amount pledged to the payment of the current obligations for which the tax levy is to be made, then the annual tax levy may be reduced by that amount. For the purpose of obtaining the credit, funds may be raised by a contracting constituent unit in 1 or more of the following methods:

- (a) By service charge to users of the facilities owned by the port authority.
- (b) By setting aside state collected funds disbursed to the contracting constituent unit.
- (c) By special assessment upon lands benefited.

(d) By setting aside any other available money.

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

(4) If a constituent unit, other than a county, operating under this part elects to raise money to pay all or a portion of its share of the cost of a project by assessing the costs upon benefited lands, its governing body shall so determine by resolution and fix the district therefor. The governing body shall then cause a special assessment roll to be prepared and thereafter the proceedings in respect to the special assessment roll and the making and collection of the special assessments on the roll, shall be in accordance with the provisions of the statute or charter governing special assessments in the constituent unit, except that the total assessment may be divided into any number of installments not exceeding 30, and any person assessed shall have the right at the hearing upon the special assessment roll to object to the special assessment district previously established.

Sec. 15514: Revenue bonds; applicability of revenue bond act; revenue bonds payable solely from revenues or income.

(1) A port authority may provide by resolution for the issuance of revenue bonds of the authority for the purpose of providing funds for paying the cost of port facilities, or for paying the cost of an extension, enlargement, or improvement of a project then under the control of the authority. The bonds issued under this section shall mature at a time or times, not exceeding 40 years after their date of issuance, as the authority may provide.

(2) Revenue bonds issued under this section are subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

(3) Revenue bonds issued pursuant to this section shall not be considered to constitute a debt of this state, a political subdivision of this state, the authority, or any constituent unit, or a pledge of the faith and credit of this state or a political subdivision of this state or of the authority or any constituent unit, but shall be payable solely from the revenues or income to be derived from the projects. The revenue bonds shall contain on their face a statement to the effect that the bonds and attached coupons are payable solely from revenues and are not a general obligation of this state, a political subdivision of this state, the authority, or a constituent unit, and neither the faith and credit nor the taxing power of this state, a political subdivision of this state, the authority, or a constituent unit, is pledged to the payment of the principal of or the interest on the bonds.

Sec. 15515: Revenue bonds; form; date; denomination; place of payment; redemption; validity of signature or facsimile; issuance in coupon or registered form; registration, reconversion, and interchange of bonds.

A port authority shall determine the form of the bonds of each series issued pursuant to section 14, including any interest coupons to be attached thereto, the date of the bonds, the denomination of the bonds, and the place of payment of principal and interest, which may be at any bank or trust company within or without the state. The bonds of each series may be made redeemable before their maturity or maturities at the option of the authority, at a price and under the terms and conditions as may be fixed by the authority before issuance of the bonds. If an officer whose signature or a facsimile of whose signature appears on any bonds or coupons ceases to be an officer before delivery of the bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if the officer had remained in office until the delivery. The bonds may be issued in coupon or in registered form, or both, as the authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, for the reconversion into coupon bonds of any bonds registered as to both principal and interest, and for the interchange of coupon and registered bonds.

Sec. 15516: Revenue bonds; trust agreement

Revenue bonds issued pursuant to this part shall be secured by a trust agreement by and between the port authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company, within or without the state. The trust agreement may pledge or assign the rentals and other revenues of the authority, but shall not convey or mortgage part or all of a project. The trust agreement shall contain provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the acquisition or construction of a project and the extension, enlargement, improvement, maintenance, operation, repair, and insurance of a project and the custody, safeguarding, and application of all money and may contain provisions for the employment of consulting engineers in connection with the construction and operation of a project. The trust agreement shall set forth the rights and remedies of the bondholders and of the trustee and may restrict the individual right of action by the bondholders and may contain any other provisions the authority may consider reasonable and proper for the security of the bondholders.

Sec. 15517: Bonds as securities; investment; deposit.

(1) Bonds issued under this part are securities in which all public officers and public agencies of the state and its political subdivisions and all banks, trust companies, savings and loan associations, investment companies, and others carrying on a banking business, all insurance companies and insurance associations and others carrying on an insurance business, all administrators, executors, guardians, trustees and other fiduciaries, and all other persons may legally and properly invest funds, including capital in their control or belonging to them.

(2) Bonds issued under this part are securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or other obligations of the state is authorized by law.

Sec: 15518: Additional bonds for acquisition of port facilities; authorization; resolution; issuance and execution of bonds; seal; negotiable instruments; maturities; payment; tax exemption; issuance of bonds or notes subject to revised municipal finance act.

(1) In addition to the bonds authorized in section 15514, bonds may be issued for the purpose of acquiring port facilities, as follows:

(a) By the issuance of bonds in anticipation of payments to become due under contracts by which 1 or more constituent units agree to pay to an authority operating under this part certain sums toward the cost of the acquisition, improvement, enlargement, or extension of a project that may be made under this part. Contracts are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(b) By money advanced by an authority operating under this part under agreements with a constituent unit or other municipality for the repayment of the money.

(c) By money advanced, from time to time, before or during construction of a project, by a public corporation, for which an authority operating under this part shall reimburse the corporation with interest not to exceed 8% per annum or without interest as may be agreed, when funds are available for reimbursement. The obligation of an authority to make the reimbursement may be evidenced by a contract or note, which contract or note may be made payable out of the payments to be made by constituent units under contracts made pursuant to subdivision (b), or out of the proceeds of bonds issued pursuant to this part by the county or out of any other available funds.

(2) Bonds issued under this section shall be authorized by a resolution adopted by the port authority. The bonds shall be issued in the name of the authority and shall

be executed by the chairperson and secretary-treasurer of the authority, who shall also cause their facsimile signatures to be affixed to the interest coupons to be attached to the bonds. The authority shall adopt a seal that shall be affixed to the bonds. Bonds issued under this section shall be negotiable instruments and shall mature not more than 40 years after the date of issuance. The bonds and coupons shall be made payable in lawful money of the United States and shall be exempt from all taxation whatsoever by this state or by any taxing authority within this state.

(3) Bonds or notes issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

Sec. 15519: Validation of bonds or notes; contesting validity

Bonds or notes issued under this part by a port authority are validated. An authority acting under this part or any constituent unit, including the county, shall not contest the validity of bonds or notes issued under this part or any contract which provides the security therefor, after the bonds are sold and delivered and the authority has received the consideration therefor.

Sec. 15520: Contract for use of port facilities; increase in charges; duration of contract.

Any 1 or more municipalities or other public corporations, either within or without an authority, may contract for the use of port facilities from a port authority operating under this part. The charges specified in a contract shall be subject to increase by the authority at any time in order to provide funds to meet the obligations of the project involved. A contract authorized pursuant to this section shall be for a period of not more than 50 years.

Sec. 15521: Dock, waterfront, or riparian property; transfer, possession, or control.

The governing bodies of constituent units may, by majority vote, and with or without consideration, transfer or cause to be transferred to the port authority or may place in its possession and control, by lease, or other contract or agreement, either for a limited period or in fee, any dock, waterfront, or riparian property owned or controlled by a constituent unit.

Sec. 15523: Plan for future development, construction, and improvement of port and facilities; notice; comments; hearing; adoption; modification, amendment, or extension; plans for specific projects.

(1) An authority created on or after May 1, 1984 shall within 2 years after its creation prepare or cause to be prepared a plan for the future development, construction, and improvement of the port and its facilities, including the maps, profiles, and other data and descriptions necessary to set forth the location and

character of the work to be undertaken by the authority. An authority in existence before May 1, 1984 shall prepare or cause to be prepared the plan provided for in this subsection not later than September 30, 1985. The authority shall notify the legislature on April 15, 1985, as to the progress of the plan. The authority shall cause notice by publication to be given upon the completion of the plan in a daily newspaper of general circulation in the area under the jurisdiction of the authority. The notice shall fix the time and place for hearing on the plan, which shall be not less than 30 nor more than 60 days after publication of the notice. Any interested person may file written comments to the plan, if those comments are filed with the secretary-treasurer of the authority not less than 5 days before the date fixed for the hearing. After the hearing, the authority may adopt the plan, with any modifications or amendments, as the official plan of the authority. The authority, after adoption of the plan, may modify, amend, or extend the plan after notice and hearing in the manner prescribed in this subsection.

(2) The plan and any modification, amendment, or extension, when adopted by the authority after notice and hearing, shall be conclusive except that plans for specific projects, to be undertaken in execution of the official plan, shall not be adopted by the authority without prior individual approval by the governing bodies of its constituent units, the state transportation department, and the department of commerce.

Sec. 15524: Operating budget.

(1) The port authority shall submit in writing a detailed estimate of the budget required for the business and conduct of an authority's affairs, initially, for a 2-year period, and annually thereafter to the governing bodies of its constituent units, the department of commerce, and the state transportation department for approval. The state shall provide 50% of the operating budget of the authority, to be included in the state transportation department budget which shall be subject to legislative approval. Fifty percent of the operating budget of an authority in which not more than 1 county and not more than 1 city participate shall be funded equally by the participating county and city.

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

(3) As used in this section, "operating budget" means solely operation and maintenance expenses of an authority not included in the cost of a specific project, and interest on notes, but excludes amounts for debt service on bonds and amounts for acquisition, construction, enlargement, improvement, or extension of port facilities.

Sec. 15525: Surplus of unencumbered funds; disposition.

If at the end of a fiscal year a surplus of unencumbered funds remains after providing for the operating expenses of a port authority, the authority may pay that surplus into the general funds of the state and of its constituent units in the same proportion which the appropriations made by each to the authority bear to each other.

Sec. 15526: Entry on lands, waters, and premises; purpose; reimbursement for actual damages.

For the purpose of making surveys, soundings, drillings, examinations, and investigations as it considers necessary or convenient for the purposes of this part, a port authority and its authorized agents and employees may enter upon the lands, waters, and premises in the authority and that entry shall not be considered a trespass; nor shall an entry for these purposes be considered an entry under any condemnation proceedings which may be then pending. The authority shall make reimbursement for actual damages resulting to the lands, waters, or premises as a result of these activities.

Sec. 15527: Employees of port authority; transfer and payment of sick leave and annual leave; salary rate; job seniority and pension rights.

(1) The employees of a port authority, existing on the effective date of this part, of a city or county which creates or participates in an authority created under this part shall become the employees of that succeeding authority.

(2) Each employee at his or her option may transfer all or part of accumulated sick leave and shall be paid 1/2 of all unused accumulated sick leave not transferred. The employee also may transfer all or part of accumulated annual leave not to exceed more than 27 days and shall be paid for all unused accumulated annual leave not transferred.

(3) The transferred employee shall continue at his or her present salary rate, and if greater than that paid in the constituent unit for similar work, shall remain at the current level until matched by that constituent unit.

(4) Job seniority and pension rights shall be credited as if first employed by the constituent unit.

Sec. 15528: Annual report; audit.

A port authority shall make an annual report of its activities within 3 months after the close of its fiscal year to the governor and to the governing body of each constituent unit. The report shall include a complete operating and financial statement covering its operations during the year. The authority shall cause an

audit of its books and accounts to be made at least once each year by a certified public accountant, with the cost to be treated as an operation expense.

DIVISION III: STATE AGRICULTURAL EXPORT DEVELOPMENT

PART A: Foreign Trade Branch of the Department of Agriculture.

[Drafter's note, the following text comes from the Foreign Trade Branch of Department of Agriculture PA 23 of 1968, corresponding to MCL 447.121-.123, and section numbering (last two digits) corresponds to same section in that Act, for ease of comparison.]

Sec. 15621: Foreign trade branch of department of agriculture marketing section; creation.

There is created a foreign trade branch of the marketing section in the department of agriculture.

Sec. 15622: Foreign trade branch; performance of duties within appropriations.

The foreign trade branch within available appropriations shall perform the duties of the branch prescribed by section 15623.

Compiler's Notes: For transfer of powers and duties of the Foreign Trade Branch of the Marketing Section and the World Trade Services Division from the Department of Agriculture to the Department of Commerce, see E.R.O. No. 1991-11 compiled at MCL 447.211 of the Michigan Compiled Laws. For transfer of authority, powers, duties, functions, and responsibilities of the division of international commerce and foreign trade branch to the department of commerce and the authority, powers, duties, functions, and responsibilities of the Michigan international office, Michigan department of commerce, to the Michigan international trade authority, see E.R.O. No. 1994-3, compiled at MCL 447.212 of the Michigan Compiled Laws.

Sec. 15623: Foreign trade branch; powers and duties

The foreign trade branch shall:

- (a) Conduct research on foreign laws and regulations affecting sales of agricultural products of this state abroad.
- (b) Identify foreign markets for agricultural commodities.

- (c) Identify products of this state for promotion abroad.
- (d) Design and execute commodity programs for individual country markets.
- (e) Conduct programs to encourage greater awareness and participation of the farm community of this state in export sales.
- (f) Encourage and assist the expansion of international activities by the various commodity commissions.
- (g) Encourage and assist the expansion of international activities by farm organizations.
- (h) Coordinate relationships and communications with the foreign agriculture service, national commodity groups, United States bureau of commerce, national trade associations and other national agencies in requests for agriculture trade leads either for Michigan suppliers or in cooperation with suppliers in other states.
- (i) Encourage Michigan agricultural industry participation in F.A.S. and bureau of commerce sponsored trade fairs and missions.
- (j) Organize, correlate and implement state, industry and commodity groups on foreign visits and trade missions; selecting potential market areas; developing and publishing market surveys for potential penetration by Michigan suppliers.
- (k) Conduct foreign market research to determine areas where promotion of Michigan products should be concentrated.
- (l) Develop or cause to be developed, multilingual promotional materials for foreign distribution. Develop English versions of foreign promotional presentations for domestic markets and be responsible for appropriate distribution of all trade material developed to aid Michigan shippers and foreign buyers.

PART B: Farm Export Loans and Sales.

[Drafter's note, the following text comes from the Michigan Farm Export Act PA 359 of 1990 corresponding to MCL 447.201-.207, and section numbering (last two digits) corresponds to same section in that Act, for ease of comparison.]

Sec. 15703: Michigan farm export loan program; creation; administration; purpose.

The Michigan farm export loan program is created and shall be administered by the department of agriculture for the purpose of enhancing and promoting the export sale of agricultural commodities and products of the state by making it possible for buyers to purchase on credit terms.

Sec. 15704: Duties of director.

(1) The director of the department of agriculture shall promote, identify, and facilitate, either directly or through any of the persons listed in section 15706, export sale opportunities of agricultural commodities and products of the state.

(2) If the director finds that a proposed export sale meets the requirements of this part and the buyer is eligible for a loan from a qualifying financial institution, the director shall notify the state treasurer of the proposed export sale and the state treasurer may invest surplus funds of the state in the lending financial institution to participate in such a loan.

Sec. 15705: Loan requirements.

A loan which the director of the department of agriculture may recommend to the state treasurer to invest shall meet the following requirements:

(a) The agricultural commodities or other products purchased through the loan were produced or processed, in whole or in part, within the state.

(b) The terms of the loan would assist in making the sale competitive with the sale of agricultural commodities or other products of other states or foreign countries.

Sec. 15706: Export sale

An export sale under this part may be identified, proposed, developed, originated, or administered by or through an exporter, importer, agricultural trade association, the United States department of agriculture, a world trade center, the department, a qualifying financial institution, a statutorily created agricultural commodity commission, the Michigan export development authority created by section 15253 of this code, **formerly the Michigan export development authority act, Act No. 157 of the Public Acts of 1986, formerly section 447.153 of the Michigan Compiled Laws**, or any other person.