

SENATE BILL No. 731

February 19, 1992, Introduced by Senators HONIGMAN and
EHLERS and referred to the Committee on Local Government
and Urban Development.

A bill to amend sections 1, 2, 4, and 15 of Act No. 312 of
the Public Acts of 1929, entitled as amended
"The metropolitan district act,"
being sections 119.1, 119.2, 119.4, and 119.15 of the Michigan
Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 1, 2, 4, and 15 of Act No. 312 of the
2 Public Acts of 1929, being sections 119.1, 119.2, 119.4, and
3 119.15 of the Michigan Compiled Laws, are amended to read as
4 follows:

5 Sec. 1. Any COMBINATION OF 2 or more cities; ~~—~~ villages;
6 ~~—or—~~ townships; ~~—or any combination—~~ or parts ~~thereof~~ OF
7 CITIES, VILLAGES, OR TOWNSHIPS, may incorporate into a
8 metropolitan district or districts comprising territory within
9 their ~~—respective—~~ limits for the purpose of acquiring, owning,

1 PURCHASING, CONSTRUCTING, operating, and maintaining either
 2 within or without their limits ~~—, as may be established~~
 3 ~~hereunder,~~ parks; PARKING FACILITIES; or public utilities for
 4 supplying sewage disposal, drainage, water, or transportation.
 5 ~~or any combination thereof. Each organized~~ A PUBLIC UTILITY
 6 FOR SUPPLYING TRANSPORTATION INCLUDES A RAPID TRANSIT SYSTEM THAT
 7 MAY CONSIST OF A TUNNEL, SUBWAY, SURFACE, OR ELEVATED SYSTEM. A
 8 district ~~hereunder shall be~~ CREATED UNDER THIS ACT IS a body
 9 corporate.

10 Sec. 2. ~~Any~~ A district incorporated under this act ~~shall~~
 11 ~~have the power to~~ MAY acquire, own, PURCHASE, CONSTRUCT, oper-
 12 ate, and maintain, within or without its limits, parks; PARKING
 13 FACILITIES; or public utilities for supplying sewage disposal,
 14 drainage, water, or transportation or any combination thereof or
 15 MAY EXERCISE such of ~~said~~ THESE powers ~~as may be~~ THAT ARE
 16 designated in its charter. ~~Any such~~ A district may sell or
 17 purchase, either within or without its limits, sewage disposal or
 18 drainage rights ~~—, OR water or transportation facilities or any~~
 19 ~~combination thereof~~ if so provided by its charter. ~~Any such~~ A
 20 district ~~shall have the power to~~ MAY acquire and succeed to
 21 ~~any or all of~~ the rights, obligations, and property of ~~any~~ A
 22 city; ~~—, village; or township; —, or any parts thereof,~~
 23 PART OF A CITY, VILLAGE, OR TOWNSHIP comprising territory within
 24 the limits of the district ~~—, respecting, affiliated or connected~~
 25 ~~with such~~ CONCERNING THOSE functions or public utilities. ~~—, or~~
 26 ~~any combination thereof: Provided, That no~~ HOWEVER, A city,
 27 village, or township shall NOT surrender ~~any such~~ rights,

1 obligations, or property without the approval ~~thereof by~~ OF a
2 majority ~~vote~~ of the electors of ~~any such~~ THE city, village,
3 or township voting on ~~such~~ THE proposition.

4 Sec. 4. Each district incorporated under the provisions
5 ~~hereof~~ OF THIS ACT may provide FOR 1 OR MORE OF THE FOLLOWING
6 in its charter:

7 (a) ~~For annually~~ ANNUALLY laying and collecting taxes in a
8 sum not to exceed 1/2% ~~of 1 per centum~~ of the assessed value of
9 all real and personal property in the district.

10 (b) ~~For borrowing~~ BORROWING money on the credit of the
11 district in a sum not to exceed 2% ~~per centum~~ of the assessed
12 value of all real and personal property in the district for the
13 purpose of acquiring, owning, purchasing, constructing, maintain-
14 ing, or operating parks; PARKING FACILITIES; or public utilities
15 for supplying sewage disposal, drainage, water, or
16 transportation. ~~, or any combination thereof: Provided, That~~
17 ~~any such~~ FOR THESE PURPOSES, A district may borrow money and
18 issue bonds ~~for any of the above purposes or any combination~~
19 ~~thereof which will~~ THAT impose no liability upon the district
20 ~~but which~~ AND may be paid and ARE secured only by special
21 ~~assessment levied against each parcel for the particular public~~
22 ~~improvement herein provided for and for the payment of which~~
23 ~~bonds are issued: Provided further, That any~~ ASSESSMENTS. A
24 district ~~incorporated under the provisions hereof,~~ may, for the
25 purpose of acquiring, owning, purchasing, constructing, or oper-
26 ating ~~any~~ A SEWAGE DISPOSAL, DRAINAGE, WATER, OR TRANSPORTATION
27 public utility, ~~herein provided for,~~ issue mortgage bonds

1 ~~therefor, or any combination thereof, which said mortgage bonds~~
2 ~~may be issued~~ beyond the general limit of bonded indebtedness
3 prescribed by this act. ~~And provided, That such mortgage bonds~~
4 A MORTGAGE BOND issued beyond the general limits of bonded
5 indebtedness shall not impose ~~any~~ liability upon the district
6 but shall be secured only upon the property and revenues of
7 ~~such~~ THE public utility, including the franchise. ~~And stating~~
8 THE MORTGAGE BOND SHALL STATE the terms upon which, in case of
9 foreclosure, the purchaser may operate the ~~same~~ PUBLIC UTILITY,
10 which franchise shall ~~in no case~~ NOT extend for a longer period
11 than 20 years from the date of ~~such~~ THE sale of ~~such~~ THE
12 utility and franchise on foreclosure. ~~And provided, That~~
13 ~~said~~ THE mortgage bond shall be sold for not less than par ~~And~~
14 AND bear interest at a rate not in excess of 6%, ~~per centum,~~
15 and the total amount ~~thereof~~ OF THE MORTGAGE BONDS shall not
16 exceed 60% ~~per centum~~ of the original cost of the utility. ~~And~~
17 ~~And provided further, That the~~ THE charter of ~~any such~~ A dis-
18 trict ISSUING MORTGAGE BONDS shall provide for the creation of a
19 sinking fund by setting aside ~~such~~ A percentage of the gross or
20 net earnings of the public utility ~~as may be deemed~~ sufficient
21 for the payment of the mortgage bonds at maturity.

22 (c) ~~For a lien~~ LIENS on ~~any~~ property and ~~for~~ taxes for
23 the payment of ~~any~~ bonds issued or for the cost and expense of
24 ~~making any improvement herein provided for~~ IMPROVEMENTS MADE
25 PURSUANT TO THIS ACT.

26 (d) ~~For laying~~ LAYING and collecting rents, tolls, and
27 excises.

1 (e) ~~For a~~ A special assessment district to ~~provide for~~
 2 RECOVER the cost ~~and expense~~ of ~~any~~ ACQUIRING, OWNING, PUR-
 3 CHASING, CONSTRUCTING, OPERATING, OR MAINTAINING A park, PARKING
 4 FACILITY, or public utility ~~, or combination thereof, herein~~
 5 ~~provided for~~ PURSUANT TO THIS ACT.

6 (f) ~~For the~~ THE purchase or condemnation of the fran-
 7 chises, if any exist, and ~~of the~~ property used in the operation
 8 of companies or individuals ~~engaged in or~~ operating public
 9 utilities for supplying sewage disposal, drainage, water, or
 10 transportation. ~~, or any combination thereof. And each~~ A dis-
 11 trict may in its charter provide that it may make a contract,
 12 upon ~~such~~ terms ~~, including terms of present or deferred pay-~~
 13 ~~ment and upon such conditions and in such manner as~~ THAT the
 14 district ~~may deem~~ CONSIDERS proper, to purchase, operate, and
 15 maintain ~~any~~ existing public utility property for supplying
 16 sewage disposal, drainage, water, or transportation ~~, or any~~
 17 ~~combination thereof~~ within or without its limits. ~~, if~~ IF THE
 18 UTILITY PROPERTY IS FOR SUPPLYING SERVICE without ~~its~~ THE
 19 DISTRICT'S limits, then ~~such~~ THE purchase ~~must~~ OF THE UTILITY
 20 PROPERTY SHALL be incidental to the operation and maintenance of
 21 ~~such~~ THE public utility. ~~No such~~ SUCH A contract ~~shall~~
 22 DOES NOT bind the district unless the proposition ~~therefor shall~~
 23 ~~receive~~ TO ENTER THE CONTRACT RECEIVES the affirmative vote of
 24 3/5 of the electors voting ~~thereon~~ ON THE PROPOSITION at a reg-
 25 ular or special election. ~~In the event of any such~~ IF A pur-
 26 chase IS MADE, the charter ~~amendment~~ and the contract to
 27 purchase shall provide for the creation of a sinking fund, into

1 which shall be paid from time to time, from the earnings of the
2 utility, sums sufficient to ~~insure~~ ENSURE the payment of the
3 purchase price and the performance of the obligations of ~~said~~
4 THE contract ~~to the end~~ SO that the entire cost of ~~such~~ THE
5 public utility shall eventually be paid from its earnings. The
6 powers CONTAINED in this subdivision ~~contained shall be~~ ARE in
7 addition to the OTHER powers provided for in ~~the other subdivi-~~
8 ~~sions of~~ this act. ~~and particularly this section, and the~~
9 ~~exercise thereof shall not impair or affect the right to exercise~~
10 ~~any of the powers in the other subdivisions of this section~~
11 ~~conferred.~~

12 (g) ~~For the~~ THE ACQUISITION, BY purchase, gift, or condem-
13 nation, of private property for ~~any public use or~~ A purpose
14 ~~herein~~ provided for IN THIS ACT and within the scope of ~~its~~
15 THE DISTRICT'S power. If THE PROPERTY IS TO BE ACQUIRED by con-
16 demnation, the provisions of Act NO. 149 of the Public Acts of
17 ~~Michigan, approved March twenty fifth, 1911, entitled "An act to~~
18 ~~provide for the condemnation by state agencies and public corpo-~~
19 ~~rations of private property for the use or benefit of the public,~~
20 ~~and to define the terms 'public corporations', 'state agencies'~~
21 ~~and 'private property' as used herein", or such other appropriate~~
22 ~~provisions therefor as exist or shall be made by law may be~~
23 ~~adopted, and~~ 1911, BEING SECTIONS 213.21 TO 213.25 OF THE
24 MICHIGAN COMPILED LAWS, AND THE UNIFORM CONDEMNATION PROCEDURES
25 ACT, ACT NO. 87 OF THE PUBLIC ACTS OF 1980, BEING SECTIONS 213.51
26 TO 213.77 OF THE MICHIGAN COMPILED LAWS, MAY BE used for the

1 purpose of instituting and prosecuting ~~such~~ THE condemnation
2 proceedings.

3 (h) ~~For the~~ THE initiative and referendum on ~~all~~ matters
4 within the scope of ~~its~~ THE DISTRICT'S powers and ~~for~~ the
5 recall of ~~all its~~ THE DISTRICT'S officials.

6 (i) ~~For altering~~ ALTERING, amending, or repealing ~~any~~ A
7 charter affecting the district.

8 (j) ~~For the~~ THE enforcement of ~~all such~~ local, police,
9 sanitary, and other regulations ~~as~~ THAT are not in conflict
10 with general laws.

11 (k) ~~For a~~ A system of civil service.

12 (l) ~~For the~~ THE exercise of ~~all~~ district powers in the
13 management and control of district property and in the adminis-
14 tration of ~~metropolitan~~ district government, whether ~~such~~ THE
15 powers ~~be~~ ARE expressly enumerated or not; ~~for~~ any act to
16 advance the interest, ~~of the district, the~~ good government, and
17 prosperity of the district; and ~~to pass all~~ THE PASSAGE OF laws
18 and ordinances relating to its concerns subject to the constitu-
19 tion and general laws of the state. ~~Provided, That the power~~
20 ~~to acquire a rapid transit system is expressly conferred by this~~
21 ~~act which may consist of a tunnel, subway, surface or elevated~~
22 ~~system or any combination thereof and said rapid transit system~~
23 ~~shall be deemed to be transportation within the meaning of this~~
24 ~~act and the provisions hereof relating to other public utilities~~
25 ~~shall apply thereto.~~

26 Sec. 15. ~~This act shall be known and may be cited as the~~
27 ~~metropolitan district act.~~ AS USED IN THIS ACT, "PARK" MEANS AN

1 AREA OF LAND OR WATER, OR BOTH, DEDICATED TO 1 OR MORE OF THE
2 FOLLOWING USES:

3 (A) RECREATIONAL PURPOSES, INCLUDING BUT NOT LIMITED TO,
4 LANDSCAPED TRACTS; PICNIC GROUNDS; PLAYGROUNDS; ATHLETIC FIELDS;
5 CAMPS; CAMPGROUNDS; ZOOLOGICAL AND BOTANICAL GARDENS; SWIMMING,
6 BOATING, HUNTING, FISHING, AND BIRDING AREAS; AND FOOT, BICYCLE,
7 AND BRIDLE PATHS.

8 (B) OPEN OR SCENIC SPACE.

9 (C) ENVIRONMENTAL, CONSERVATION, NATURE, OR WILDLIFE AREAS.