

# SENATE BILL No. 855

April 21, 1992, Introduced by Senator DE GROW and referred to the Committee on Local Government and Urban Development.

A bill to amend section 3a of Act No. 116 of the Public Acts of 1923, entitled as amended "Township and village public improvement and public service act," as amended by Act No. 82 of the Public Acts of 1989, being section 41.413a of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3a of Act No. 116 of the Public Acts of  
2 1923, as amended by Act No. 82 of the Public Acts of 1989, being  
3 section 41.413a of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 3a. (1) A waterworks established under sections 1 to 5  
6 and any other service provided under sections 1 to 5 for a dis-  
7 trict having a waterworks may be under the control of and  
8 operated by a board of public service commissioners, except that  
9 in ~~an incorporated~~ A village such an improvement or service

1 shall be under the control of and operated by the ~~common council~~  
2 ~~or board of trustees~~ LEGISLATIVE BODY of the ~~incorporated~~  
3 village. The board of public service commissioners shall consist  
4 of 5 commissioners elected at the annual township election by the  
5 qualified electors residing in the district. A vacancy on the  
6 board of public service commissioners shall be filled by the  
7 remaining members of the board until the next annual township  
8 election, at which election the vacancy shall be filled for the  
9 unexpired term. A member of the board of public service commis-  
10 sioners shall be a resident of the district. AS USED IN THIS  
11 SECTION, "ANNUAL TOWNSHIP ELECTION" MEANS AN ELECTION HELD ON THE  
12 FIRST TUESDAY AFTER THE FIRST MONDAY IN NOVEMBER EVERY YEAR.

13 (2) The township clerk shall call a special township elec-  
14 tion, upon the filing with the clerk of a petition signed by 25  
15 residents of the district, for the election of the members of the  
16 board of public service commissioners to hold office until the  
17 ~~next~~ FIRST annual township election. At the first ANNUAL  
18 TOWNSHIP election held under this section, 2 commissioners shall  
19 be elected for a term of 3 years, 2 commissioners shall be  
20 elected for a term of 2 years, and 1 commissioner shall be  
21 elected for a term of 1 year. After the first ANNUAL TOWNSHIP  
22 election, a commissioner shall be elected for a term of 3 years.  
23 The commission may hire necessary employees to carry out the pur-  
24 pose of sections 1 to 5. The provisions of this section do not  
25 apply to a waterworks facility constituting only a part of a gen-  
26 eral township water system.

1 (3) A BOARD OF PUBLIC SERVICE COMMISSIONERS MAY DISSOLVE  
2 ITSELF, ALONE OR TOGETHER WITH THE DISTRICT, UPON SATISFACTION OF  
3 ALL OF THE FOLLOWING REQUIREMENTS:

4 (A) THE BOARD OF PUBLIC SERVICE COMMISSIONERS SHALL PREPARE  
5 A FINANCIAL REPORT OF THE ASSETS AND LIABILITIES OF THE  
6 DISTRICT. THE FINANCIAL REPORT SHALL INCLUDE A DESCRIPTION OF  
7 OBLIGATIONS OF THE DISTRICT, AN ACCOUNTING OF MONEY HELD BY THE  
8 DISTRICT, AN APPRAISAL OR INVENTORY OF OTHER ASSETS OF THE DIS-  
9 TRICT, AND A DESCRIPTION OF ANY ENCUMBRANCES ON ASSETS OF THE  
10 DISTRICT. THE BOARD OF PUBLIC SERVICE COMMISSIONERS SHALL FILE A  
11 COPY OF THE FINANCIAL REPORT WITH THE TOWNSHIP CLERK OF THE TOWN-  
12 SHIP WHERE THE DISTRICT IS LOCATED.

13 (B) THE BOARD OF PUBLIC SERVICE COMMISSIONERS SHALL HOLD A  
14 PUBLIC HEARING ON THE ISSUE OF THE DISSOLUTION. IN ADDITION TO  
15 SATISFYING THE REQUIREMENTS OF THE OPEN MEETINGS ACT, ACT NO. 267  
16 OF THE PUBLIC ACTS OF 1976, BEING SECTIONS 15.261 TO 15.275 OF  
17 THE MICHIGAN COMPILED LAWS, THE BOARD OF PUBLIC SERVICE COMMIS-  
18 SIONERS SHALL PUBLISH NOTICE OF THE HEARING IN A NEWSPAPER OF  
19 GENERAL CIRCULATION IN THE TOWNSHIP WHERE THE DISTRICT IS LOCATED  
20 NOT LESS THAN 10 DAYS BEFORE THE HEARING. THE NOTICE SHALL GIVE  
21 THE TIME, DATE, LOCATION, AND PURPOSE OF THE HEARING AND STATE  
22 THAT A COPY OF THE FINANCIAL REPORT IS AVAILABLE FOR PUBLIC  
23 INSPECTION AT THE OFFICE OF THE TOWNSHIP CLERK.

24 (C) AFTER THE HEARING, THE BOARD OF PUBLIC SERVICE COMMIS-  
25 SIONERS SHALL PREPARE A PLAN FOR THE TRANSFER OF THE ASSETS AND  
26 LIABILITIES OF THE DISTRICT TO THE TOWNSHIP WHERE THE DISTRICT IS  
27 LOCATED. THE PLAN SHALL NOT IMPAIR THE RIGHTS OF HOLDERS OF

1 SPECIAL ASSESSMENT BONDS ISSUED PURSUANT TO SECTION 3 OR THE  
2 RIGHTS OF PROPERTY OWNERS SERVED BY THE WATERWORKS.

3 (D) THE TOWNSHIP BOARD OF THE TOWNSHIP WHERE THE DISTRICT IS  
4 LOCATED SHALL ADOPT A RESOLUTION AGREEING TO THE DISSOLUTION OF  
5 THE BOARD OF PUBLIC SERVICE COMMISSIONERS, ALONE OR TOGETHER WITH  
6 THE DISTRICT, IN ACCORDANCE WITH THE PLAN UNDER SUBDIVISION (C).

7 (E) AFTER THE TOWNSHIP BOARD ADOPTS A RESOLUTION UNDER  
8 SUBDIVISION (D), THE BOARD OF PUBLIC SERVICE COMMISSIONERS SHALL  
9 ADOPT A CONSISTENT RESOLUTION TO DISSOLVE ITSELF, ALONE OR  
10 TOGETHER WITH THE DISTRICT, IN ACCORDANCE WITH THE PLAN UNDER  
11 SUBDIVISION (C).

12 (4) AS ITS LAST ACT BEFORE THE EFFECTIVE DATE OF DISSOLU-  
13 TION, A BOARD OF PUBLIC SERVICE COMMISSIONERS SHALL FILE ITS  
14 RECORDS WITH THE CLERK OF THE TOWNSHIP WHERE THE DISTRICT IS  
15 LOCATED, FOR SAFEKEEPING AND REFERENCE.