

REPRINT

**SUBSTITUTE FOR
SENATE BILL NO. 940**

(As Passed the Senate May 23, 2000)

A bill to amend 1951 PA 35, entitled

"An act to authorize intergovernmental contracts between municipal corporations; to authorize any municipal corporation to contract with any person or any municipal corporation to furnish any lawful municipal service to property outside the corporate limits of the first municipal corporation for a consideration; to prescribe certain penalties; to authorize contracts between municipal corporations and with certain nonprofit public transportation corporations to form group self-insurance pools; and to prescribe conditions for the performance of those contracts,"

by amending section 3 (MCL 124.3).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) A municipal corporation ~~shall have the right~~
2 ~~to~~ MAY contract FOR ADEQUATE CONSIDERATION with a person or ~~a~~
3 ANOTHER municipal corporation to furnish to property outside the
4 MUNICIPAL corporate limits ~~of the first municipal corporation~~
5 ~~for an adequate consideration,~~ any lawful municipal service
6 ~~which~~ THAT it is furnishing to property within ~~its~~ THE
7 MUNICIPAL corporate limits. A municipal corporation may sell and

1 deliver heat, power, and light ~~at wholesale or other than~~
2 ~~wholesale outside its corporate limits in such amount as may be~~
3 IN AMOUNTS AS determined by the governing body of the utility,
4 ~~except that sales at other than wholesale shall be~~ FOR BOTH OF
5 THE FOLLOWING:

6 (A) ELECTRIC DELIVERY SERVICE IS limited to the area of any
7 city, village, or township ~~which is~~ THAT WAS contiguous
8 ~~thereto as of the date of this act,~~ TO THE MUNICIPAL CORPORA-
9 TION AS OF JUNE 20, 1974, and to the area of any other city, vil-
10 lage, or township being served BY THE MUNICIPAL UTILITY as of
11 ~~the date of this act. However, a~~ JUNE 20, 1974.

12 (B) RETAIL SALES OF ELECTRIC GENERATION SERVICE ARE LIMITED
13 TO THE AREA OF ANY CITY, VILLAGE, OR TOWNSHIP THAT WAS CONTIGUOUS
14 TO THE MUNICIPAL CORPORATION AS OF JUNE 20, 1974, AND TO THE AREA
15 OF ANY OTHER CITY, VILLAGE, OR TOWNSHIP BEING SERVED BY THE
16 MUNICIPAL UTILITY AS OF JUNE 20, 1974, UNLESS THE MUNICIPAL COR-
17 PORATION IS IN COMPLIANCE WITH SECTION 10Y(4) OF 1939 PA 3, MCL
18 460.10Y.

19 (2) A municipal corporation shall not render ELECTRIC DELIV-
20 ERY SERVICE FOR heat, power, or light to customers outside its
21 corporate limits already receiving ~~such~~ THE service from
22 another utility unless the serving utility consents in writing.
23 ~~For the purposes of this section, "person" shall mean any~~
24 ~~person, firm, corporation, the United States government, or the~~
25 ~~state or any of its subdivisions. For the purposes of this sec-~~
26 ~~tion, "wholesale" shall mean the sale or exchange of heat, power~~

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1 ~~or light between public utility systems, whether municipally,~~
2 ~~cooperatively or privately owned.~~

3 (3) AS USED IN THIS SECTION:

4 (A) "ELECTRIC DELIVERY SERVICE" HAS THE SAME MEANING AS
5 "DELIVERY SERVICE" UNDER SECTION 10Y OF 1939 PA 3, MCL 460.10Y.

6 (B) "ELECTRIC GENERATION SERVICE" MEANS THE SALE OF ELECTRIC
7 POWER AND RELATED ANCILLARY SERVICES.

8 (C) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, ASSOCIATION,
9 GOVERNMENTAL ENTITY, OR OTHER LEGAL ENTITY.

10 Enacting section 1. This amendatory act does not take
11 effect unless Senate Bill No. 937 of the 90th Legislature is
12 enacted into law.