

SUBSTITUTE FOR  
SENATE BILL NO. 941

A bill to amend 1909 PA 279, entitled  
"The home rule city act,"  
by amending section 4f (MCL 117.4f).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 4f. Each city may in its charter provide FOR ANY OF  
2 THE FOLLOWING:

3       (A) ~~(1)~~ For the purchase or condemnation of ~~the~~ fran-  
4 chises, if any exist, and of the property used in the operation  
5 of companies or individuals engaged in the ~~plank~~ road, ceme-  
6 tery, hospital, almshouse, electric light, gas, heat, water, and  
7 power business, and in cities having ~~not less~~ MORE than 25,000  
8 inhabitants, FOR the purchase of the franchise, if any EXIST, and  
9 the property of street railway and tram railway companies.

10 ~~Each~~ A city may in its charter ~~provide that it may make~~ ALLOW  
11 FOR a contract, upon the terms, including terms of present or

1 deferred payment, and upon the conditions and in the manner as  
2 the ~~municipality may deem~~ CITY CONSIDERS proper, to purchase,  
3 operate, and maintain any existing public utility property for  
4 supplying water, heat, light, power, or transportation to the  
5 city and the CITY'S inhabitants. ~~thereof. A~~ THE contract  
6 ~~shall~~ DOES not bind the ~~municipality~~ CITY unless the proposi-  
7 tion ~~therefor shall receive~~ FOR THE CONTRACT RECEIVES the  
8 affirmative vote of 3/5 of the electors voting ~~thereon~~ at a  
9 regular or special election. ~~In the event of a~~ FOR THE pur-  
10 chase of a transportation utility, the charter amendment and the  
11 contract to purchase may provide for ~~the creation of~~ a sinking  
12 fund, into which shall be paid, ~~from time to time,~~ from the  
13 earnings of the utility, sums sufficient to ~~insure the payment~~  
14 ~~of the purchase price and the performance of~~ THE UTILITY AND  
15 PERFORM the obligations of the contract. ~~, to the end that the~~  
16 ~~entire cost of the public utility shall eventually be paid from~~  
17 ~~its earnings.~~ Within a reasonable time after the acquisition of  
18 a public transportation utility, ~~the officials in charge of the~~  
19 ~~operation shall establish~~ a system of civil service for the  
20 selection and retention of its employees SHALL BE ESTABLISHED.  
21 ~~When~~ IF a vote is taken to amend a city charter ~~for the pur-~~  
22 ~~pose of acquiring any of the above mentioned powers~~ TO ALLOW AN  
23 ACQUISITION UNDER THIS SUBDIVISION, a vote may also ~~, by direc-~~  
24 ~~tion of the legislative body of the city,~~ be taken at the same  
25 election ~~upon a proposition to make~~ TO APPROVE a particular  
26 contract. ~~within the scope of the proposed amendment.~~ The vote  
27 upon the charter amendment and upon the ~~proposition to~~ purchase

1 CONTRACT shall be ~~upon~~ BY separate ballots. ~~When~~ IF a  
2 transportation utility is ~~so~~ acquired UNDER THIS SUBDIVISION,  
3 state taxes ~~shall be paid thereon as if privately owned, also~~  
4 AND local taxes on any portion of the property lying outside of  
5 the city limits SHALL BE PAID AS IF PRIVATELY OWNED. The powers  
6 ~~in~~ UNDER this subdivision ~~contained shall be~~ ARE in addition  
7 to ~~the~~ ANY OTHER powers provided for ~~in the other subdivisions~~  
8 of UNDER this section. ~~, and the exercise thereof shall not~~  
9 ~~impair or affect the right to exercise any of the powers in the~~  
10 ~~other subdivisions of this section conferred.~~

11 (B) ~~(2)~~ For owning, constructing, and operating transpor-  
12 tation facilities within ~~its~~ THE CITY limits, and its adjacent  
13 and adjoining suburbs within a distance of 10 miles from any por-  
14 tion of ~~its~~ THE city limits.

15 (C) ~~(3)~~ For the purchase and condemnation of private prop-  
16 erty for any public use or purpose within the scope of its  
17 powers; for the acquirement, ownership, establishment, construc-  
18 tion, and operation, either within or ~~without~~ OUTSIDE its cor-  
19 porate limits, of public utilities for supplying water, light,  
20 heat, power, and transportation to the ~~municipality~~ CITY and  
21 the CITY'S inhabitants, ~~thereof,~~ for domestic, commercial, and  
22 municipal purposes; for the sale ~~and delivery~~ of heat, power,  
23 and light ~~without~~ OUTSIDE its corporate limits ~~at wholesale or~~  
24 ~~other than wholesale~~ in an amount as determined by the governing  
25 body of the utility supplying the heat, power, or light except  
26 that ~~sales at other than wholesale shall be~~ ELECTRIC DELIVERY  
27 SERVICE IS limited to the area of any village or township ~~which~~

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1 THAT was contiguous ~~thereto~~ TO THE CITY as of June 20, 1974,  
2 and to the area of any other village or township being served as  
3 of June 20, 1974 AND RETAIL SALES OF ELECTRIC GENERATION SERVICE  
4 ARE LIMITED TO THE AREA OF ANY CITY, VILLAGE, OR TOWNSHIP THAT  
5 WAS CONTIGUOUS TO THE CITY, VILLAGE, OR TOWNSHIP AS OF JUNE 20,  
6 1974, AND TO THE AREA OF ANY OTHER CITY, VILLAGE, OR TOWNSHIP  
7 BEING SERVED AS OF JUNE 20, 1974 UNLESS THE MUNICIPAL UTILITY IS  
8 IN COMPLIANCE WITH SECTION 10Y(4) OF 1939 PA 3, MCL 460.10Y; for  
9 the sale and delivery of water outside of its corporate limits in  
10 the amount as may be determined by the legislative body of the  
11 city; and for the operation of transportation lines ~~without~~  
12 OUTSIDE the ~~municipality~~ CITY and within 10 miles from its cor-  
13 porate limits. ~~However a~~ A city shall not render ELECTRIC  
14 DELIVERY SERVICE FOR heat, power, or light to customers outside  
15 its corporate limits already receiving that service from another  
16 utility unless that utility consents in writing, AND SHALL NOT  
17 RENDER RETAIL ELECTRIC GENERATION SERVICE TO CUSTOMERS OUTSIDE  
18 ITS CORPORATE LIMITS RECEIVING THAT SERVICE FROM ANOTHER SUPPLIER  
19 EXCEPT IN COMPLIANCE WITH SECTION 10Y OF 1939 PA 3, MCL 460.10Y.  
20 The acquirement of a utility together with all properties, fran-  
21 chises, and rights necessary for its establishment, ownership,  
22 construction, operation, improvement, extension, and maintenance,  
23 whether the properties, franchises, and rights are situated  
24 within or ~~without~~ OUTSIDE the corporate limits of the city, may  
25 be either by purchase or condemnation. If THE ACQUIREMENT IS by  
26 condemnation, ~~the provisions of Act No. 149 of the Public Acts~~  
27 ~~of 1911, as amended, being sections 213.21 to 213.41 of the~~

1 ~~Michigan Compiled Laws, or other appropriate provisions therefor~~  
2 ~~as exist, or shall be made by law~~ 1911 PA 149, MCL 213.21 TO  
3 213.25, may be ~~adopted and~~ used for ~~the purpose of~~ institut-  
4 ing and prosecuting the condemnation proceedings. A public util-  
5 ity ~~shall not be so~~ IS NOT acquired unless the proposition to  
6 do so first receives the affirmative vote of 3/5 of the electors  
7 of the city voting ~~thereon,~~ at a regular or special municipal  
8 election. For purposes of this subdivision: ~~, "wholesale" means~~  
9 ~~the sale or exchange of heat, power, or light between public~~  
10 ~~utility systems, whether municipally, cooperatively, or privately~~  
11 ~~owned.~~

12 (i) "ELECTRIC DELIVERY SERVICE" HAS THE SAME MEANING AS  
13 "DELIVERY SERVICE" UNDER SECTION 10Y OF 1939 PA 3, MCL 460.10Y.

14 (ii) "ELECTRIC GENERATION SERVICE" MEANS THE SALE OF ELEC-  
15 TRIC POWER AND RELATED ANCILLARY SERVICES.

16 (D) ~~(4)~~ For the acquiring, establishment, operation,  
17 extension, and maintenance of sewage disposal systems, sewers,  
18 and plants, either within or ~~without~~ OUTSIDE the corporate  
19 limits of the city, as a utility, including the right to acquire  
20 NECESSARY property ~~necessary therefor,~~ by purchase, gift, or  
21 condemnation, and including the fixing and collecting of charges  
22 EXCLUSIVELY for service covering the cost of ~~such~~ THE service.  
23 ~~, the proceeds whereof shall be exclusively used for the pur-~~  
24 ~~poses of the sewage disposal system, and which may include~~ THIS  
25 SUBDIVISION ALLOWS a return on the fair value of the property  
26 devoted to the service, excluding ~~from such~~ THE valuations OF  
27 the portions of the system ~~as may have been~~ THAT WERE paid for

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1 by special assessment, ~~and~~ which ~~charge~~ may be made AS a lien  
2 upon the property served and if not paid when due, ~~to be~~ col-  
3 lected in the same manner as other city taxes.

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