

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 6542

A bill to amend 1867 PA 35, entitled

"An act to provide for the formation of street railway companies, defining their powers and duties and authorizing the construction, use, maintenance and ownership of street railways for the transportation of passengers, and for accumulating, storing, manufacturing, conducting, using, selling, furnishing and supplying electricity and electric power, by such companies,"

by amending the title and sections 1, 3, 5, 7, 9, 11, 13, 15, 17, 19, and 27 (MCL 472.1, 472.3, 472.5, 472.7, 472.9, 472.11, 472.13, 472.15, 472.17, 472.19, and 472.27) and by adding section 21; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

TITLE

2

An act to provide for the formation of **NONPROFIT** street

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railway companies, defining their powers and duties and authorizing

4

the construction, use, maintenance and ownership of street railways

1 for the transportation of passengers, and for accumulating,
2 storing, manufacturing, conducting, using, selling, furnishing and
3 supplying electricity and electric power, by such companies; **TO**
4 **PRESCRIBE POWERS AND DUTIES OF CERTAIN STATE AND LOCAL AGENCIES AND**
5 **OFFICIALS; TO PROVIDE REMEDIES AND PENALTIES; TO PROVIDE FOR THE**
6 **ESTABLISHMENT OF A TRANSIT DEVELOPMENT FINANCE ZONE; AND TO**
7 **AUTHORIZE THE USE OF TAX INCREMENT FINANCING.**

8 ~~Sec. 1. That street railway companies may be organized under~~
9 ~~the provisions of this act.~~ **THIS ACT SHALL BE KNOWN AND MAY BE**
10 **CITED AS THE "NONPROFIT STREET RAILWAY ACT".**

11 ~~Sec. 3. Such articles of association shall be signed by the~~
12 ~~persons associating in the first instance, and acknowledged before~~
13 ~~some officer authorized by the laws of this state to take~~
14 ~~acknowledgment of deeds, and shall state—~~

15 ~~—— First. The name by which the corporation shall be known in the~~
16 ~~law.~~

17 ~~—— Second. Definitely and distinctly the purpose for which the~~
18 ~~corporation is formed.~~

19 ~~—— Third. The amount of their capital stock, and the number of~~
20 ~~the shares thereof.~~

21 ~~—— Fourth. The names of the stockholders, their respective~~
22 ~~residences, and the number of shares held by each.~~

23 ~~—— Fifth. The city or village in which the office for the~~
24 ~~transaction of their business shall be located, and where their~~
25 ~~business is to be carried on.~~

26 ~~—— Sixth. The term of the existence of the corporation, which~~
27 ~~shall not exceed 30 years.~~

~~Seventh. The number of the directors of the corporation, and the names of those who shall be directors for the first year. THE~~
LEGISLATURE FINDS AND DECLARES THAT THERE EXISTS IN THIS STATE A
NEED TO ENCOURAGE THE DEVELOPMENT OF TRANSPORTATION FACILITIES AND
THE PROVISION OF PUBLIC TRANSPORTATION SERVICES BY AUTHORIZING THE
ACQUIRING, OWNING, CONSTRUCTING, FURNISHING, EQUIPPING, COMPLETING,
OPERATING, IMPROVING, AND MAINTAINING OF NONPROFIT STREET RAILWAY
COMPANIES AND SYSTEMS AND THAT PUBLIC ASSISTANCE IN ACQUIRING,
OWNING, CONSTRUCTING, FURNISHING, EQUIPPING, COMPLETING, OPERATING,
IMPROVING, AND MAINTAINING NONPROFIT STREET RAILWAY COMPANIES AND
SYSTEMS IN THIS STATE IS DECLARED TO BE A PUBLIC PURPOSE. IT IS THE
INTENT OF THE LEGISLATURE THAT A STREET RAILWAY SYSTEM CONSTRUCTED
BY A NONPROFIT CORPORATION UNDER THIS ACT BE DESIGNED TO ADAPT TO
OR CONNECT WITH OTHER PUBLIC TRANSIT SYSTEMS. IT IS THE INTENT OF
THE LEGISLATURE THAT RESOURCES EXPENDED TO CONSTRUCT A STREET
RAILWAY SYSTEM UNDER THIS ACT QUALIFY AS STATE AND LOCAL MATCH
FUNDS FOR TRANSIT SYSTEMS ELIGIBLE FOR FEDERAL FUNDING.

Sec. 5. ~~The amount of the capital stock in every such corporation shall be fixed and limited by the stockholders in their articles of association, and shall in no case be less than 10,000 dollars, and shall be divided into shares of 100 dollars each; but the capital stock and the number of shares thereof may be increased at any lawful meeting of the stockholders; and whenever any such increase shall be made, a certificate showing the amount of such increase, signed by the president and secretary of the company, and sealed with its corporate seal, shall be filed in the office of the secretary of state. Any such company by its articles of~~

1 ~~association, or by amendment thereto, approved at any lawful~~
2 ~~meeting of the stockholders by vote of 3/4 in interest of its~~
3 ~~capital stock, shall have power to create and issue certificates~~
4 ~~for 2 kinds of stock, namely: General or common stock and preferred~~
5 ~~stock of 1 or more classes; which preferred stock shall at no time~~
6 ~~exceed 80 per centum of the actual capital paid in, and shall be~~
7 ~~subject to redemption at not less than par at a certain time to be~~
8 ~~fixed by the by laws of said corporation, and to be expressed in~~
9 ~~the certificates therefor. And the holder of such preferred stock~~
10 ~~shall be entitled to a fixed dividend, payable quarterly, half~~
11 ~~yearly, or yearly, which said dividend shall be cumulative, payable~~
12 ~~at the time expressed in said certificate, not to exceed 8 per cent~~
13 ~~per annum, before any dividends shall be set apart or paid on the~~
14 ~~common stock. Said corporation shall be controlled by a board of~~
15 ~~directors elected by the preferred and common stockholders,~~
16 ~~excepting when otherwise provided in the articles of association or~~
17 ~~amendments thereto: Provided always, If at any time upon a fair~~
18 ~~valuation of the assets of the corporation the common stock shall~~
19 ~~be impaired in an amount equal to 20 per cent thereof, or any~~
20 ~~annual dividend or accrued dividends for 1 year due on the~~
21 ~~preferred stock shall remain unpaid for 60 days, then holders of~~
22 ~~the preferred stock shall have an equal right with the common~~
23 ~~stock, share and share alike, to participate in the election of~~
24 ~~directors and control of said corporation. If for any reason said~~
25 ~~corporation shall cease business or become insolvent, then after~~
26 ~~the payment of all liabilities and debts, the remainder of the~~
27 ~~assets of such corporation shall be applied first to the payment in~~

~~full of all preferred stock and then unpaid dividends due thereon,
and the balance divided pro rata, share and share alike, among the
holders of the common stock. Every corporation organized or
existing under the provisions of this act may, by its articles of
association, or by an amendment thereto approved at any lawful
meeting of stockholders by a vote of 3/4 in interest of its capital
stock, provide for an issue of common stock of non par value, in
accordance with subdivision 2 (being sections 6 to 9 both
inclusive) of part 2, chapter 2 of Act No. 84 of the Public Acts of
1921. Nothing in this section shall be construed as relieving or
excepting any such corporation or any person or persons from
complying with the provisions of Act No. 144 of the Public Acts of
1909, as amended by Act No. 177 of the Public Acts of 1911, Act No.
259 of the Public Acts of 1915, and Act No. 381 of the Public Acts
of 1919.~~

(1) THIS ACT SHALL BE CONSTRUED LIBERALLY TO EFFECTUATE THE
LEGISLATIVE INTENT AND THE PURPOSE OF THE ACT AS COMPLETE AND
INDEPENDENT AUTHORIZATION FOR THE PERFORMANCE OF EACH AND EVERY ACT
AND THING AUTHORIZED IN THIS ACT AND ALL POWERS GRANTED IN THIS ACT
SHALL BE BROADLY INTERPRETED TO EFFECTUATE THE INTENT AND PURPOSES
OF THIS ACT AND NOT AS A LIMITATION OF POWERS.

(2) THE POWERS CONFERRED IN THIS ACT UPON A STREET RAILWAY
SHALL BE IN ADDITION TO ANY OTHER POWERS THE STREET RAILWAY
POSSESSES UNDER LAW.

(3) UNLESS PERMITTED BY THE STATE CONSTITUTION OF 1963 OR THIS
ACT OR AGREED TO BY A STREET RAILWAY, ANY RESTRICTIONS, STANDARDS,
CONDITIONS, OR PREREQUISITES OF A CITY, VILLAGE, OR TOWNSHIP

1 OTHERWISE APPLICABLE ONLY TO A STREET RAILWAY AND ENACTED AFTER THE
2 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 21 DO NOT
3 APPLY TO A STREET RAILWAY. THIS SUBSECTION IS INTENDED TO PROHIBIT
4 SPECIAL LOCAL LEGISLATION OR ORDINANCES APPLICABLE EXCLUSIVELY OR
5 PRIMARILY TO A STREET RAILWAY AND NOT TO EXEMPT A STREET RAILWAY
6 FROM LAWS GENERALLY APPLICABLE TO OTHER PERSONS OR ENTITIES.

7 ~~Sec. 7. In case it shall happen that an election for directors~~
8 ~~shall not be held as provided the said corporation shall not be,~~
9 ~~for that reason, dissolved, but such election shall be held on some~~
10 ~~future day, to be fixed by the directors holding over, upon giving~~
11 ~~the notice thereof, as in this act provided, and all acts of the~~
12 ~~directors shall be binding upon such corporation.~~ AS USED IN THIS
13 ACT:

14 (A) "DEPARTMENT" MEANS THE DEPARTMENT OF TRANSPORTATION, THE
15 PRINCIPAL DEPARTMENT OF STATE GOVERNMENT CREATED UNDER SECTION 350
16 OF THE EXECUTIVE ORGANIZATION ACT OF 1965, 1965 PA 380, MCL 16.450.

17 (B) "NONPROFIT CORPORATION" MEANS THAT TERM AS DEFINED UNDER
18 SECTION 108 OF THE NONPROFIT CORPORATION ACT, 1982 PA 162, MCL
19 450.2108.

20 (C) "PUBLIC STREET OR HIGHWAY" MEANS ANY STATE TRUNK LINE
21 HIGHWAY, COUNTY ROAD, OR CITY OR VILLAGE STREET MAINTAINED BY A
22 ROAD AUTHORITY.

23 (D) "RAILROAD" MEANS THAT TERM AS DEFINED UNDER SECTION 109 OF
24 THE RAILROAD CODE OF 1993, 1993 PA 354, MCL 462.109.

25 (E) "OPERATING LICENSE AGREEMENT" MEANS AN AGREEMENT ENTERED
26 INTO UNDER SECTION 13 BY AND AMONG A STREET RAILWAY AND EACH ROAD
27 AUTHORITY WITH JURISDICTION OVER PUBLIC STREETS AND HIGHWAYS UPON

1 WHICH THE STREET RAILWAY OPERATES OR SEEKS TO OPERATE A STREET
2 RAILWAY SYSTEM, INCLUDING, BUT NOT LIMITED TO, EACH CITY, VILLAGE,
3 OR TOWNSHIP ROAD AUTHORITY IN THE CITY, VILLAGE, OR TOWNSHIP IN
4 WHICH THE STREET RAILWAY OPERATES OR SEEKS TO OPERATE A STREET
5 RAILWAY SYSTEM.

6 (F) "ROAD AUTHORITY" MEANS EACH GOVERNMENTAL AGENCY WITH
7 JURISDICTION OVER PUBLIC STREETS AND HIGHWAYS. ROAD AUTHORITY
8 INCLUDES THE DEPARTMENT, ANY OTHER STATE AGENCY, AND
9 INTERGOVERNMENTAL, COUNTY, CITY, AND VILLAGE GOVERNMENTAL AGENCIES
10 RESPONSIBLE FOR THE CONSTRUCTION, REPAIR, AND MAINTENANCE OF
11 STREETS AND HIGHWAYS. WHEN A STREET RAILWAY OPERATES OR SEEKS TO
12 OPERATE A STREET RAILWAY SYSTEM OVER PUBLIC STREETS AND HIGHWAYS
13 OVER WHICH MORE THAN 1 ROAD AUTHORITY POSSESSES JURISDICTION, ROAD
14 AUTHORITY INCLUDES EACH ROAD AUTHORITY WITH JURISDICTION OVER
15 PUBLIC STREETS AND HIGHWAYS UPON WHICH THE STREET RAILWAY OPERATES
16 OR SEEKS TO OPERATE A STREET RAILWAY SYSTEM.

17 (G) "STREET RAILWAY" MEANS A NONPROFIT CORPORATION ORGANIZED
18 UNDER THIS ACT FOR THE PURPOSE OF OPERATING A STREET RAILWAY SYSTEM
19 OTHER THAN A RAILROAD TRAIN FOR TRANSPORTING PERSONS OR PROPERTY.

20 (H) "STREET RAILWAY SYSTEM" MEANS THE FACILITIES, EQUIPMENT,
21 AND PERSONNEL REQUIRED TO PROVIDE AND MAINTAIN A PUBLIC
22 TRANSPORTATION SYSTEM OPERATED ON RAILS AT GRADE OR ABOVE OR BELOW
23 GROUND WITHIN A CITY, VILLAGE, OR TOWNSHIP UTILIZING STREETCARS,
24 TROLLEYS, LIGHT RAIL VEHICLES, OR TRAMS FOR THE TRANSPORTATION OF
25 PERSONS OR PROPERTY. STREET RAILWAY SYSTEM ALSO INCLUDES NECESSARY
26 POWER FEEDS, SIGNALS, AND STOPS OR STATIONS WITHIN A PUBLIC RIGHT-
27 OF-WAY. STREET RAILWAY SYSTEM EXCLUDES FACILITIES AND IMPROVEMENTS

1 NOT REQUIRED TO MAINTAIN A PUBLIC TRANSPORTATION SYSTEM.

2 Sec. 9. ~~The directors shall choose, by ballot, a president who~~
3 ~~shall be 1 of the directors, and they shall also choose a secretary~~
4 ~~and treasurer, who shall hold their offices during such time as the~~
5 ~~by laws of the company shall prescribe, and until others are chosen~~
6 ~~in their stead, and the directors shall supply any vacancy in the~~
7 ~~office of president, secretary or treasurer, whenever the same~~
8 ~~shall occur.~~

9 (1) AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
10 THIS SUBSECTION, 1 OR MORE PERSONS MAY ORGANIZE A STREET RAILWAY
11 UNDER THIS ACT FOR THE PURPOSE OF ACQUIRING, OWNING, CONSTRUCTING,
12 FURNISHING, EQUIPPING, COMPLETING, OPERATING, IMPROVING, AND
13 MAINTAINING A STREET RAILWAY SYSTEM BY SIGNING IN INK AND FILING
14 ARTICLES OF INCORPORATION FOR THE STREET RAILWAY. THE ARTICLES
15 SHALL INCLUDE ALL OF THE FOLLOWING:

16 (A) THE NAME OF THE STREET RAILWAY, WHICH SHALL INCLUDE THE
17 WORDS "RAIL", "RAILWAY", "STREET RAILWAY", "LIGHT RAIL", OR "METRO
18 RAIL".

19 (B) THE PURPOSE FOR WHICH THE CORPORATION IS ORGANIZED, WHICH
20 SHALL BE LIMITED TO ACQUIRING, OWNING, CONSTRUCTING, FURNISHING,
21 EQUIPPING, COMPLETING, OPERATING, IMPROVING, AND MAINTAINING A
22 STREET RAILWAY SYSTEM.

23 (C) THE CITY, VILLAGE, OR TOWNSHIP IN WHICH THE STREET RAILWAY
24 SYSTEM WILL PRINCIPALLY OPERATE.

25 (2) ARTICLES OF INCORPORATION SHALL BE FILED WITH THE BUREAU
26 OF COMMERCIAL SERVICES OF THE DEPARTMENT OF ENERGY, LABOR, AND
27 ECONOMIC GROWTH AS PROVIDED UNDER THE NONPROFIT CORPORATION ACT,

1 1982 PA 162, MCL 450.2101 TO 450.3192.

2 (3) THE NONPROFIT CORPORATION ACT, 1982 PA 162, MCL 450.2101
3 TO 450.3192, SHALL APPLY TO A STREET RAILWAY ORGANIZED UNDER THIS
4 SECTION UNLESS OTHERWISE PROVIDED IN OR INCONSISTENT WITH THIS ACT.

5 Sec. 11. ~~The directors may require the subscribers, to the~~
6 ~~capital stock of the company to pay the amount by them respectively~~
7 ~~subscribed, in such manner, and in such installments as they may~~
8 ~~deem proper. If any stockholder shall neglect to pay any~~
9 ~~installment as required by a resolution of the board of directors,~~
10 ~~the said board, shall be authorized to sue for the same, or declare~~
11 ~~his stock and all previous payments thereon forfeited for the use~~
12 ~~of the company; but they shall not declare it so forfeited until~~
13 ~~they shall have caused a notice, in writing, to be served on him~~
14 ~~personally, or by depositing the same in the postoffice properly~~
15 ~~directed to him at the postoffice nearest his usual place of~~
16 ~~residence, stating that he is required to make such payment at the~~
17 ~~time and place specified in said notice, and that if he fails to~~
18 ~~make the same, his stock and all previous payments thereon will be~~
19 ~~forfeited for the use of the company, which notice shall be served~~
20 ~~as aforesaid, at least 60 days previous to the day on which such~~
21 ~~payment is required to be made.~~

22 (1) A NONPROFIT CORPORATION MAY BECOME A STREET RAILWAY UNDER
23 THIS ACT AND ACQUIRE, OWN, CONSTRUCT, FURNISH, EQUIP, COMPLETE,
24 OPERATE, IMPROVE, AND MAINTAIN A STREET RAILWAY SYSTEM IN A CITY IF
25 ON AND AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
26 THIS SUBSECTION THE ARTICLES OF INCORPORATION FOR THE NONPROFIT
27 CORPORATION ARE AMENDED TO INCLUDE ALL OF THE FOLLOWING PROVISIONS:

1 (A) A PROVISION AUTHORIZING THE NAME OF THE CORPORATION, TO
2 INCLUDE THE WORDS "RAIL", "RAILWAY", OR "STREET RAILWAY", "LIGHT
3 RAIL", OR "METRO RAIL".

4 (B) A PROVISION DETAILING THE PURPOSES FOR WHICH THE
5 CORPORATION IS ORGANIZED, WHICH SHALL BE LIMITED TO PURPOSES
6 RELATED TO ACQUIRING, OWNING, CONSTRUCTING, FURNISHING, EQUIPPING,
7 COMPLETING, OPERATING, IMPROVING, AND MAINTAINING A STREET RAILWAY
8 SYSTEM.

9 (C) A PROVISION INDICATING THE CITY IN WHICH THE STREET
10 RAILWAY SYSTEM WILL PRINCIPALLY OPERATE.

11 (2) AMENDMENTS TO THE ARTICLES OF INCORPORATION OF A NONPROFIT
12 CORPORATION UNDER THIS SECTION SHALL BE ADOPTED AND FILED WITH THE
13 BUREAU OF COMMERCIAL SERVICES OF THE DEPARTMENT OF ENERGY, LABOR,
14 AND ECONOMIC GROWTH AS PROVIDED UNDER THE NONPROFIT CORPORATION
15 ACT, 1982 PA 162, MCL 450.2101 TO 450.3192.

16 (3) THE NONPROFIT CORPORATION ACT, 1982 PA 162, MCL 450.2101
17 TO 450.3192, SHALL APPLY TO A STREET RAILWAY ORGANIZED UNDER THIS
18 SECTION UNLESS OTHERWISE PROVIDED IN OR INCONSISTENT WITH THIS ACT.

19 Sec. 13. (1) ~~Any A street railway corporation organized under~~
20 ~~the provisions of this act, may , with the consent of the corporate~~
21 ~~authorities of any city or village, given in and by an ordinance or~~
22 ~~ordinances duly enacted for that purpose, and under such rules,~~
23 ~~regulations and conditions as in and by such ordinance or~~
24 ~~ordinances shall be prescribed, ACQUIRE, OWN, construct, use,~~
25 ~~FURNISH, EQUIP, COMPLETE, OPERATE, IMPROVE, AND maintain and own a~~
26 ~~street railway for the transportation of passengers~~ **SYSTEM** ~~in and~~
27 ~~upon the lines of such streets and ways, in said city or village,~~

1 ~~as shall be designated and granted from time to time for that~~
2 ~~purpose, in the ordinance or ordinances granting such consent, but~~
3 ~~no such~~ HIGHWAYS OF A ROAD AUTHORITY WITH THE APPROVAL OF THE ROAD
4 AUTHORITY, ON TERMS AND CONDITIONS IMPOSED BY THE ROAD AUTHORITY.
5 THE APPROVAL SHALL BE EMBODIED IN AN OPERATING LICENSE AGREEMENT BY
6 AND AMONG A STREET RAILWAY AND EACH ROAD AUTHORITY WITH
7 JURISDICTION OVER PUBLIC STREETS AND HIGHWAYS UPON WHICH THE STREET
8 RAILWAY OPERATES OR SEEKS TO OPERATE A STREET RAILWAY SYSTEM,
9 INCLUDING, BUT NOT LIMITED TO, A CITY, VILLAGE, OR TOWNSHIP ROAD
10 AUTHORITY LOCATED IN THE CITY, VILLAGE, OR TOWNSHIP IN WHICH THE
11 STREET RAILWAY SYSTEM OPERATES OR SEEKS TO OPERATE. THE OPERATING
12 LICENSE AGREEMENT SHALL INCLUDE THE TERMS AND CONDITIONS FOR
13 OPERATION OF THE STREET RAILWAY SYSTEM. BEFORE APPROVING AN
14 AGREEMENT, A ROAD AUTHORITY SHALL HOLD A PUBLIC HEARING ON THE
15 PROPOSED OPERATING LICENSE AGREEMENT. THE HEARING SHALL BE HELD IN
16 THE CITY, VILLAGE, OR TOWNSHIP IN WHICH THE STREET RAILWAY SEEKS TO
17 OPERATE A STREET RAILWAY SYSTEM AND SHALL BE HELD IN COMPLIANCE
18 WITH THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.
19 NOTICE OF THE PUBLIC HEARING SHALL BE PROVIDED NOT LESS THAN 20
20 DAYS BEFORE THE DATE OF THE HEARING. ONE OR MORE ROAD AUTHORITIES
21 MAY CONDUCT A JOINT PUBLIC HEARING UNDER THIS SECTION. AT A PUBLIC
22 HEARING, A STREET RAILWAY AND A ROAD AUTHORITY MAY PRESENT
23 INFORMATION REGARDING THE PROPOSED OPERATING LICENSING AGREEMENT AS
24 THE STREET RAILWAY OR THE ROAD AUTHORITY DEEMS APPROPRIATE. WHEN
25 OPERATING IN AND UPON THE STREETS AND HIGHWAYS OF A ROAD AUTHORITY,
26 A STREET RAILWAY IS SUBJECT TO RULES, REGULATIONS, OR ORDINANCES
27 IMPOSED BY THE ROAD AUTHORITY. A STREET railway company shall NOT

1 construct any **STREET** railway **SYSTEM** in **AND UPON** the streets **AND**
2 **HIGHWAYS** of ~~any city or village~~ **A ROAD AUTHORITY** until the company
3 ~~shall have accepted~~ **STREET RAILWAY ACCEPTS** in writing the ~~ANY~~ terms
4 and conditions ~~upon which they are permitted to use said streets,~~
5 ~~and any such company may extend, construct, use and maintain their~~
6 ~~road in and along streets or highways of any township adjacent to~~
7 ~~said city or village, upon such terms and conditions as may be~~
8 ~~agreed upon by the company and the township board of the township,~~
9 ~~which agreement, and the acceptance by the company of the terms~~
10 ~~thereof, shall be recorded by the township clerk in the records of~~
11 ~~his township. Any company organized under the provisions of this~~
12 ~~act may construct, use, maintain and own a street railway for the~~
13 ~~transportation of passengers in and along the streets and highways~~
14 ~~of any township upon such terms and conditions as may be agreed~~
15 ~~upon by the company and the township board of the township, which~~
16 ~~agreement, and the acceptance by the company of the terms thereof,~~
17 ~~shall be recorded by the township clerk in the records of the~~
18 ~~township; and any such company~~ **IMPOSED BY THE ROAD AUTHORITY, THE**
19 **OPERATING LICENSE AGREEMENT IS APPROVED UNDER THIS SECTION, AND THE**
20 **AGREEMENT IS FILED WITH EACH ROAD AUTHORITY WITH JURISDICTION OVER**
21 **PUBLIC STREETS AND HIGHWAYS UPON WHICH THE STREET RAILWAY WILL**
22 **OPERATE. A ROAD AUTHORITY HAS THE POWER IN ITS DISCRETION TO**
23 **APPROVE OR DISAPPROVE AN OPERATING LICENSE AGREEMENT. A DECISION OF**
24 **A ROAD AUTHORITY REGARDING AN OPERATING LICENSE AGREEMENT SHALL BE**
25 **FINAL AND BINDING UPON A STREET RAILWAY AND OTHER INTERESTED**
26 **PERSONS. THE STREET RAILWAY SHALL PAY THE ROAD AUTHORITY FOR ALL OF**
27 **THE ROAD AUTHORITY'S COSTS INCURRED IN CONSTRUCTING THE STREET**

1 RAILWAY SYSTEM, MITIGATING THE IMPACT OF THE STREET RAILWAY SYSTEM
2 ON ROAD USERS, THE ENVIRONMENT, AND THE SURROUNDING NEIGHBORHOODS,
3 AND MODIFYING THE STREETS OR HIGHWAYS IMPACTED BY CONSTRUCTION OF
4 THE STREET RAILWAY SYSTEM.

5 (2) A STREET RAILWAY may ACQUIRE, OWN, construct, use,
6 FURNISH, EQUIP, COMPLETE, OPERATE, IMPROVE, maintain and own a
7 street railway SYSTEM upon PUBLIC OR private rights of way, and all
8 such companies shall, OBTAIN EASEMENTS when necessary FOR A STREET
9 RAILWAY to enter upon ACQUIRE and use private property FOR
10 ACQUIRING, OWNING, CONSTRUCTING, FURNISHING, EQUIPPING, COMPLETING,
11 OPERATING, IMPROVING, AND MAINTAINING A STREET RAILWAY SYSTEM. in
12 such construction and operation, have the same power and right of
13 eminent domain as is now possessed by railroad companies. All
14 proceedings at law or in equity necessary to give this section
15 effect shall be the same as proceedings for the condemnation of
16 property for companies organized under the general railroad law and
17 all statutes relative to the exercise of the right of eminent
18 domain for railroad purposes are hereby made applicable to
19 proceedings under this act: Provided, That any such company may
20 construct, use, maintain and own a street railway as is herein
21 provided along any highway heretofore laid out or constructed or
22 hereafter to be laid out or constructed by the board of county road
23 commissioners or any highway adopted as a county road by the board
24 of county road commissioners and under their control, upon such
25 terms and conditions as may be agreed upon by the company and the
26 said board of county road commissioners, with the approval of a
27 majority of the board of supervisors, which agreement, and the

~~acceptance by the company of the terms thereof, shall be recorded by the county clerk in the records of said board. Excepting, however, that whenever the right of way for such railways is acquired by the exercise of the power and right of eminent domain, the person, association or corporation acquiring the same under and by virtue of such power and right, shall not thereby acquire any right, title or interest in and to any ores or minerals either upon or beneath the surface of such part of the right of way, but the same shall remain the property of the owners of the land or ores and minerals at the time the right of way is so acquired. And said owners may, without let or hindrance, mine, take and carry away all such ores and minerals, and in doing so the said owners shall not be required to protect the surface of such right of way from being damaged or endangered by the removal of such ores and minerals. Any corporation organized under this act shall have the following additional powers, that is to say: To generate, and transmit for itself and furnish and sell electricity and electric power, and storing it, and dispensing and dividing it subject to the regulations of cities, villages and townships where sold among those who wish to purchase or lease it: Provided, That any corporation organized under this act which shall engage in the business of generating, transmitting, selling or distributing electricity shall be subject to the relevant provisions of all laws of this state relative to the regulation of the business of generating, transmitting, selling or distributing electricity for any of the purposes mentioned in this act.~~

(3) AFTER A ROAD AUTHORITY CONSENTS TO THE ACQUIRING, OWNING,

1 CONSTRUCTING, FURNISHING, EQUIPPING, COMPLETING, OPERATING,
2 IMPROVING, AND MAINTAINING OF A STREET RAILWAY SYSTEM ON THE
3 STREETS OR HIGHWAYS OF THE ROAD AUTHORITY OR GRANTS A RIGHT OR
4 PRIVILEGE TO THE STREET RAILWAY BY ENTERING INTO AN OPERATING
5 LICENSE AGREEMENT WITH THE STREET RAILWAY, THE ROAD AUTHORITY MAY
6 NOT REVOKE THE CONSENT OR DEPRIVE THE STREET RAILWAY OF THE RIGHTS
7 AND PRIVILEGES CONFERRED WITHOUT AFFORDING THE STREET RAILWAY
8 PROCEDURAL DUE PROCESS OF LAW IF AND TO THE EXTENT PROVIDED IN THE
9 OPERATING LICENSE AGREEMENT FOR THE STREET RAILWAY.

10 (4) A STREET RAILWAY MAY DO 1 OR MORE OF THE FOLLOWING:

11 (A) ACQUIRE BY GIFT, DEVISE, TRANSFER, EXCHANGE, PURCHASE,
12 LEASE, OR OTHERWISE ON TERMS AND CONDITIONS AND IN A MANNER THE
13 STREET RAILWAY CONSIDERS PROPER PROPERTY OR RIGHTS OR INTERESTS IN
14 PROPERTY RELATING TO THE OPERATION OF THE STREET RAILWAY OR STREET
15 RAILWAY SYSTEM.

16 (B) TAKE, TRANSPORT, OR CARRY AND CONVEY PERSONS AND PROPERTY
17 ON A STREET RAILWAY SYSTEM AND RECEIVE JUST AND FAIR COMPENSATION
18 FROM USERS OF THE STREET RAILWAY SYSTEM FOR THAT PURPOSE.

19 (C) ERECT AND MAINTAIN ALL NECESSARY AND CONVENIENT BUILDINGS,
20 STRUCTURES, STATIONS, DEPOTS, FIXTURES, AND MACHINERY FOR THE
21 ACCOMMODATION AND USE OF PERSONS AND PROPERTY TRANSPORTED BY THE
22 STREET RAILWAY.

23 (D) REGULATE THE TIME AND MANNER IN WHICH PERSONS AND PROPERTY
24 MAY BE TRANSPORTED BY THE STREET RAILWAY AND FARES OR OTHER
25 COMPENSATION MAY BE PAID FOR THAT PURPOSE. A STREET RAILWAY MAY
26 CHARGE JUST AND FAIR COMPENSATION FOR THE USE OF ITS STREET RAILWAY
27 SYSTEM.

1 (E) BORROW MONEY AND ISSUE BONDS AND NOTES FOR ANY
2 INDEBTEDNESS INCURRED AND MAY MORTGAGE THEIR STREET RAILWAY
3 PROPERTY AND RIGHTS TO SECURE THE PAYMENT OF BONDS, NOTES, MONEY
4 BORROWED, AND ANY AND ALL DEBTS AND LIABILITIES WHICH THE STREET
5 RAILWAY MAY INCUR. A STREET RAILWAY SHALL NOT USE TAX INCREMENTS TO
6 REPAY BONDS AND NOTES.

7 (F) TRANSFER A STREET RAILWAY SYSTEM TO A PUBLIC ENTITY
8 OPERATING A PUBLIC TRANSPORTATION SYSTEM IF THE TRANSFER IS
9 AUTHORIZED BY A LAW ENACTED AFTER THE EFFECTIVE DATE OF THE
10 AMENDATORY ACT THAT ADDED SECTION 21.

11 Sec. 15. ~~Any street railway company may also purchase or~~
12 ~~acquire, either at public or private sale, whether judicial or~~
13 ~~otherwise, or may hire any street railway in any city, village or~~
14 ~~township owned by any other corporation or company, together with~~
15 ~~all the real and personal estate belonging thereto, and the rights,~~
16 ~~privileges and franchises thereof, and may use, maintain, and~~
17 ~~complete such road, and may use and enjoy the rights, privileges~~
18 ~~and franchises of such company in the same manner and upon the same~~
19 ~~terms as the company whose road and franchise, so acquired, might~~
20 ~~have done, or may lease, sell and convey its railway, together with~~
21 ~~the rights, privileges and franchises thereof to any other street~~
22 ~~railway company subject to such terms and limitations as may be~~
23 ~~expressed in this act. Every street railway company may also~~
24 ~~purchase, hold, own or take upon lease such real estate, barns,~~
25 ~~stables, buildings, fixtures and property as may be necessary for~~
26 ~~the use and business of their road, and the whole or any part~~
27 ~~thereof, together with their railway fixtures, property and~~

1 ~~appurtenances, rights, privileges and franchises may sell, lease,~~
2 ~~dispose of, pledge or mortgage whenever the corporation shall deem~~
3 ~~it expedient so to do: Provided, however, That no company shall,~~
4 ~~under the provisions hereof, lease, purchase, or acquire a~~
5 ~~competing road. Any street railway may also, as an incident to its~~
6 ~~business and for the better service for the public, acquire, own,~~
7 ~~lease or hire motor vehicles and may, upon compliance with all~~
8 ~~laws, state and municipal, authorizing the operation and regulating~~
9 ~~the use of motor vehicles on the highway, operate the same on and~~
10 ~~over the public highways of this state for the transportation of~~
11 ~~such persons and property as it may lawfully transport on its~~
12 ~~railway: Provided, No such motor vehicle equipment shall be used to~~
13 ~~do a local business in any municipality in this state without the~~
14 ~~permission of the municipality in which such local business is~~
15 ~~wholly carried on. Any street railway may also acquire and own the~~
16 ~~capital stock of any corporation owning or operating motor vehicles~~
17 ~~for the purpose and in the manner hereinbefore stated: Provided~~
18 ~~further, Nothing herein contained shall be understood as obviating~~
19 ~~the necessity for obtaining any franchise now required by law and a~~
20 ~~certificate of public convenience and necessity from the Michigan~~
21 ~~public utilities commission as provided in Act No. 209 of the~~
22 ~~Public Acts of 1923 and any amendments thereto.~~

23 (1) SUBJECT TO APPLICABLE LAW AND APPLICABLE REGULATIONS OF
24 THIS STATE, A CITY, A TOWNSHIP, OR A VILLAGE, A STREET RAILWAY MAY
25 GENERATE, STORE, TRANSMIT, DISTRIBUTE, DISPENSE, FURNISH, OR USE
26 ELECTRICITY AND ELECTRIC POWER FOR USE OR CONSUMPTION BY THE STREET
27 RAILWAY AND THE STREET RAILWAY SYSTEM.

1 (2) IF A STREET RAILWAY REQUESTS A PUBLIC UTILITY TO MODIFY OR
2 RELOCATE FACILITIES OF THE PUBLIC UTILITY THAT LIE WITHIN A PUBLIC
3 STREET OR HIGHWAY RIGHT OF WAY, OR IF, IN RESPONSE TO THE
4 CONSTRUCTION, EXPANSION, OR MODIFICATION OF A STREET RAILWAY SYSTEM
5 A PUBLIC UTILITY DETERMINES THAT THE PUBLIC UTILITY SHOULD MODIFY
6 OR RELOCATE THE PUBLIC UTILITY'S FACILITIES, CONSISTENT WITH LAW,
7 REGULATION, OR GOOD UTILITY PRACTICE AND UNLESS THE STREET RAILWAY
8 AND THE PUBLIC UTILITY AGREE OTHERWISE, THE STREET RAILWAY SHALL
9 PAY ALL COSTS OF THE RELOCATION AND MODIFICATION OF THE FACILITIES
10 TO THE PUBLIC UTILITY.

11 Sec. 17. (1) In constructing ~~their railways every such company~~
12 A STREET RAILWAY SYSTEM, A STREET RAILWAY shall conform to the
13 grades established ~~, or which may be established, by the common~~
14 ~~council or other corporate authorities of the city, village or~~
15 ~~township, for the~~ BY A ROAD AUTHORITY FOR A PUBLIC street OR
16 HIGHWAY traversed by ~~said railways, nor shall the company at any~~
17 ~~time~~ THE STREET RAILWAY.

18 (2) A STREET RAILWAY SHALL NOT alter or change the grade or
19 line of any PUBLIC street OR HIGHWAY, without the consent of the
20 ~~common council or other corporate authorities of the city, village~~
21 ~~or township, first had and obtained.~~ ROAD AUTHORITY WITH PUBLIC
22 JURISDICTION OVER THE PUBLIC STREET OR HIGHWAY.

23 (3) A STREET RAILWAY SHALL LAY AND MAINTAIN THE TRACK OF A
24 STREET RAILWAY SYSTEM IN A MANNER AND WITH THE TYPE OF TRACK TO
25 KEEP THE TRACK AND THE PAVEMENT OF THE PUBLIC STREET OR HIGHWAY
26 ADJACENT TO THE TRACK IN A STATE OF CONDITION AND REPAIR AS
27 PRESCRIBED BY THE ROAD AUTHORITY WITH JURISDICTION OVER THE PUBLIC

1 STREET OR HIGHWAY.

2 Sec. 19. ~~The common council or other corporate authorities of~~
3 ~~the city or village, in which any street railway shall be located,~~
4 ~~may from time to time, by ordinance or otherwise, establish and~~
5 ~~prescribe such rules and regulations in regard to said railway, as~~
6 ~~may be required for the grading, paving and repairing the street,~~
7 ~~and the construction of sewers, drains, reservoirs and crossings,~~
8 ~~and the laying of gas and water pipes, upon, in and along the~~
9 ~~streets traversed by such road, and to prevent obstructions~~

10 ~~thereon.~~ A ROAD AUTHORITY MAY ESTABLISH AND PRESCRIBE RULES AND
11 REGULATIONS APPLICABLE TO A STREET RAILWAY OPERATING IN OR UPON A
12 PUBLIC STREET OR HIGHWAY UNDER THE JURISDICTION OF A ROAD AUTHORITY
13 RELATING TO 1 OR MORE OF THE FOLLOWING SUBJECTS:

14 (A) GRADING, PAVING, OBSTRUCTION, OR REPAIRING OF A STREET OR
15 HIGHWAY.

16 (B) CONSTRUCTION, MAINTENANCE, OR OBSTRUCTION OF PUBLIC
17 SERVICE FACILITIES AND INFRASTRUCTURE, INCLUDING WATER, LIGHT,
18 HEAT, POWER, SEWAGE DISPOSAL, AND TRANSPORTATION.

19 (C) CONSTRUCTION, MAINTENANCE, OR OBSTRUCTION OF TRAFFIC
20 CONTROL AND PARKING CONTROL FACILITIES AND INFRASTRUCTURE.

21 SEC. 21. (1) IF A PERSON REFUSES TO PAY A FARE OWED TO A
22 STREET RAILWAY OR REFUSES TO OBEY REGULATIONS ESTABLISHED BY THE
23 STREET RAILWAY FOR THE CONVENIENCE AND SAFETY OF PASSENGERS, THE
24 STREET RAILWAY MAY REMOVE THE PERSON FROM THE STREETCAR, TRAM, OR
25 TROLLEY AT A USUAL STOPPING PLACE.

26 (2) A PERSON WHO CAUSES OR ATTEMPTS TO CAUSE THE DERAILMENT OF
27 A STREETCAR, TRAM, OR TROLLEY OF A STREET RAILWAY BY THE PLACING OF

1 AN IMPEDIMENT UPON THE TRACK OF A STREET RAILWAY, WHETHER THE
2 STREETCAR, TRAM, OR TROLLEY IS DISLODGED FROM THE TRACK OR NOT, OR
3 WHO BY ANY OTHER MEANS WHATSOEVER WILLFULLY ENDANGERS OR ATTEMPTS
4 TO ENDANGER THE LIFE OF ANY PERSON ENGAGED IN THE WORK OF THE
5 STREET RAILWAY, OR ANY PERSON TRAVELING ON THE STREETCAR, TRAM, OR
6 TROLLEY OF THE STREET RAILWAY, IS GUILTY OF A FELONY PUNISHABLE BY
7 IMPRISONMENT FOR LIFE OR ANY NUMBER OF YEARS. PROOF THAT THE PERSON
8 INTENDED TO INJURE OR ENDANGER THE LIFE OF ANY PARTICULAR PERSON IS
9 NOT REQUIRED TO PROVE A VIOLATION OF THIS SECTION.

10 (3) A PERSON WHO THROWS A STONE, BRICK, OR OTHER MISSILE AT A
11 STREETCAR, TRAM, OR TROLLEY OF A STREET RAILWAY IS GUILTY OF A
12 MISDEMEANOR PUNISHABLE BY A FINE OF NOT LESS THAN \$100.00 OR MORE
13 THAN \$500.00 OR IMPRISONMENT FOR NOT LESS THAN 10 DAYS OR MORE THAN
14 90 DAYS, OR BOTH.

15 ~~Sec. 27. Every company incorporated under this act, for the~~
16 ~~purposes of constructing a railway, shall cease to be a body~~
17 ~~corporate, if within 1 year from the time of filing their articles~~
18 ~~of association with the secretary of state, they shall not have~~
19 ~~commenced the construction of their railway, and expended therein~~
20 ~~at least 10 per cent of their capital stock.~~

21 (1) WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THE AMENDATORY ACT
22 THAT ADDED SECTION 21, THE SECRETARY OF STATE OR ANY OTHER AGENCY
23 HAVING RECORDS OF A STREET RAILWAY FORMED UNDER THIS ACT PRIOR TO
24 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 21
25 SHALL CERTIFY AND TRANSFER THE RECORDS TO THE BUREAU OF COMMERCIAL
26 SERVICES OF THE DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH.

27 (2) ANY ENTITY FORMED ON OR AFTER THE EFFECTIVE DATE OF THE

House Bill No. 6542 as amended December 11, 2008

1 AMENDATORY ACT THAT ADDED SECTION 21 FOR THE PURPOSE OF ACQUIRING,
2 OWNING, CONSTRUCTING, FURNISHING, EQUIPPING, COMPLETING, OPERATING,
3 IMPROVING, AND MAINTAINING A STREET RAILWAY OR STREET RAILWAY
4 SYSTEM SHALL BE ORGANIZED UNDER THIS ACT.

5 (3) A STREET RAILWAY IS NOT SUBJECT TO THE RAILROAD CODE OF
6 1993, 1993 PA 354, MCL 462.101 TO 462.451.

7 Enacting section 1. Sections 2, 4, 6, 8, 10, 12, 14, 16, 18,
8 20, 22, 24, 25, 28, 29, 30, 31, 31a, 32, 34, 35, and 36 of 1867 PA
9 35, MCL 472.2, 472.4, 472.6, 472.8, 472.10, 472.12, 472.14, 472.16,
10 472.18, 472.20, 472.22, 472.24, 472.25, 472.28, 472.29, 472.30,
11 472.31, 472.31a, 472.32, 472.34, 472.35, and 472.36, are repealed.

12 Enacting section 2. This amendatory act does not take effect
13 unless all of the following bills of the 94th Legislature are
14 enacted into law:

15 <<(a) Senate Bill No. 1104.>>
16 <<~~(a)~~(b)>> Senate Bill No. 1588.
17 <<~~(b)~~(c)>> Senate Bill No. 1589.
18 <<~~(e)~~(d)>> Senate Bill No. 1590.
<<~~(d)~~(e)>> Senate Bill No. 1592.