

Act No. 517
Public Acts of 2018
Approved by the Governor
December 27, 2018
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**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Reps. Miller and Lower

ENROLLED HOUSE BILL No. 6430

AN ACT to amend 1909 PA 279, entitled "An act to provide for the incorporation of cities and for revising and amending their charters; to provide for certain powers and duties; to provide for the levy and collection of taxes by cities, borrowing of money, and issuance of bonds or other evidences of indebtedness; to validate actions taken, bonds issued, and obligations heretofore incurred; to prescribe penalties and provide remedies; and to repeal acts and parts of acts on specific dates," by amending section 4f (MCL 117.4f), as amended by 2000 PA 156.

The People of the State of Michigan enact:

Sec. 4f. Each city may in its charter provide for any of the following:

(a) For the purchase or condemnation of franchises, if any exist, and of the property used in the operation of companies or individuals engaged in the road, cemetery, hospital, almshouse, electric light, gas, heat, water, and power business, and in cities having more than 25,000 inhabitants, for the purchase of the franchise, if any exist, and the property of street railway and tram railway companies. A city may in its charter allow for a contract, upon the terms, including terms of present or deferred payment, and upon the conditions and in the manner as the city considers proper, to purchase, operate, and maintain any existing public utility property for supplying water, heat, light, power, or transportation to the city and the city's inhabitants. The contract does not bind the city unless the proposition for the contract receives the affirmative vote of 3/5 of the electors voting at a regular or special election. For the purchase of a transportation utility, the charter amendment and the contract to purchase may provide for a sinking fund, into which must be paid, from the earnings of the utility, sums sufficient to purchase the utility and perform the obligations of the contract. Within a reasonable time after the acquisition of a public transportation utility, a system of civil service for the selection and retention of its employees must be established. If a vote is taken to amend a city charter to allow an acquisition under this subdivision, a vote may also be taken at the same election to approve a particular contract. The vote upon the charter amendment and upon the purchase contract must be by separate ballots. If a transportation utility is acquired under this subdivision, state taxes and local taxes on any portion of the property lying outside of the city limits must be paid as if privately owned. The powers under this subdivision are in addition to any other powers provided for under this section.

(b) For owning, constructing, and operating transportation facilities within the city limits, and its adjacent and adjoining suburbs within a distance of 10 miles from any portion of the city limits.

(c) For the purchase and condemnation of private property for any public use or purpose within the scope of its powers; for the acquirement, ownership, establishment, construction, and operation, either within or outside its corporate limits, of public utilities for supplying water, light, heat, power, and transportation to the city and the city's inhabitants, for domestic, commercial, and municipal purposes; for the sale of heat, power, and light outside its corporate limits in an amount as determined by the governing body of the utility supplying the heat, power, or light except that electric delivery service is limited to the area of any village or township that was contiguous to the city as of June 20, 1974, and to the area of any other village or township being served as of June 20, 1974 and retail sales of electric

generation service are limited to the area of any city, village, or township that was contiguous to the city, village, or township as of June 20, 1974, and to the area of any other city, village, or township being served as of June 20, 1974; for the sale and delivery of water outside of its corporate limits in the amount as may be determined by the legislative body of the city; and for the operation of transportation lines outside the city and within 10 miles from its corporate limits. A city shall not render electric delivery service for heat, power, or light outside its corporate limits to a customer that is currently receiving or within the previous 3 years has received that service from another utility unless that utility consents in writing. The acquirement of a utility together with all properties, franchises, and rights necessary for its establishment, ownership, construction, operation, improvement, extension, and maintenance, whether the properties, franchises, and rights are situated within or outside the corporate limits of the city, may be either by purchase or condemnation. If the acquirement is by condemnation, 1911 PA 149, MCL 213.21 to 213.25, may be used for instituting and prosecuting the condemnation proceedings. A public utility is not acquired unless the proposition to do so first receives the affirmative vote of 3/5 of the electors of the city voting at a regular or special municipal election. As used in this subdivision:

(i) "Customer" means only the building or facilities served rather than the individual, association, partnership, corporation, governmental body, or any other entity taking service.

(ii) "Electric delivery service" has the same meaning as "delivery service" under section 10y of 1939 PA 3, MCL 460.10y.

(iii) "Electric generation service" means the sale of electric power and related ancillary services.

(d) For the acquiring, establishment, operation, extension, and maintenance of sewage disposal systems, sewers, and plants, either within or outside the corporate limits of the city, as a utility, including the right to acquire necessary property by purchase, gift, or condemnation, and including the fixing and collecting of charges exclusively for service covering the cost of the service. This subdivision allows a return on the fair value of the property devoted to the service, excluding the valuations of the portions of the system that were paid for by special assessment, which may be made as a lien upon the property served and if not paid when due, collected in the same manner as other city taxes.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor