

THE HOME RULE CITY ACT (EXCERPT)
Act 279 of 1909

117.4g Rapid transit system; permissible charter provisions.

Sec. 4-g. Each city may in its charter provide:

(1) For the acquisition by construction, condemnation or purchase and for the ownership, equipment, possession, leasing, operation and maintenance of a rapid transit system consisting of a tunnel, subway, surface or elevated system or any combination and qualification of these, in and through said city, and for a distance of not more than 10 miles beyond its limits, for the purpose of furnishing transportation facilities to the municipality and to the people thereof; for the preparation and publication of plans for such construction, equipment and maintenance in accordance with charter provisions adopted hereunder; for the operation of such facilities independently or in connection with other transportation facilities, or transportation system, owned, operated or controlled by such city or existing therein, or in the territory in which any such rapid transit system is established; for the appropriate designation of such facilities; for the taking of the fee of or easement or right of way on, under, above and through any property for the purposes thereof, by gift, grant and purchase, and by condemnation proceedings in accordance with any law of the state of Michigan providing therefor; and for the management of such facilities, for the purposes for which the same are or may be acquired or constructed. Provision may also be made for the execution of contracts incidental to the carrying out of the purposes hereby contemplated. In the event that property is taken by condemnation under any statute pertaining thereto, the actual benefits accruing to or received by a remainder of any such parcel on account of the construction of the improvement shall be taken into account in determining the damages to be awarded by way of compensation to the owner or owners of such property. The charter shall also provide for the proper financing of the acquisition and construction of any such system and facilities by direct taxation, special assessments on the basis of benefits actually and exclusively received by property affected by any such improvement, or by borrowing money and issuing bonds or other evidence of indebtedness therefor, or by a combination of such methods; and for the defraying of the cost of maintenance, operation and management of such facilities and for payment of interest on and a sinking fund to retire any bonds issued under this subsection, from the revenues received as a result of the operation thereof by the city. Bonds executed and sold for the purpose of raising money to cover the cost of such acquisition and construction may be issued on the faith and credit of the city or same may be secured by mortgage on the property and revenues of the utility established pursuant hereto. The aggregate amount of bonds issued on the faith and credit of the city under this subsection shall not exceed 2 per cent of the assessed valuation of the taxable property within said city for the preceding fiscal year; and in computing the total indebtedness of the city for the purpose of determining whether any other limitation prescribed by law has been exceeded, such bonds shall not be included. Except as is in this subsection otherwise specifically provided, all bonds issued by a city for the purposes hereby contemplated shall be subject to the restrictions and conditions prescribed in section 4-a of this act. In case provision is made in the charter for raising money by direct taxation for the purposes hereof, the amount of such tax levied and assessed in any year shall not exceed 1/6 of 1 per cent of the assessed valuation of the city for such year; and the amount of any such tax shall not be subject to any other limitations prescribed by law, or considered in determining whether any such limitation has been exceeded. In no case shall more than 60 per cent of the total estimated cost of acquiring or constructing any such rapid transit system or portion of extension thereof, be raised by direct taxation, and by the issuance of bonds on the faith and credit of the city. As incidental to the authority hereby granted, provision may be made in any city charter for the exercise of powers incidental to the accomplishment of the purposes hereof, and reasonably calculated and designed to facilitate the furnishing of adequate transportation facilities by the means aforesaid to the municipality and the people thereof. No charter amendment or amendments, contemplating and providing for the exercise of the powers referred to in this subsection, shall be submitted to a vote of the electors unless and until the same shall have been published pursuant to the direction of the legislative body of the city, in at least 1 newspaper having a general circulation in such city at least once each week for 3 weeks in succession during the 30 day period immediately preceding the date of the election; and no plan for construction and operation of any rapid transit system shall be put into effect unless the same shall first have been submitted to the qualified electors of the city and approved thereby. Such submission of plan shall be made subsequent to the enactment of said charter amendments either at a general election or a special election called for that purpose by the legislative body of the city. Such contemplated plan shall, before its submission, and as a condition prerequisite thereto, be published once each week for 6 weeks in succession in some daily newspaper having a general circulation within the city, during the 60-day period immediately preceding the date of submission to the electors; and the contemplated plan as so published shall specify the route or routes of the proposed rapid transit system, the type of construction proposed for the various sections or parts

thereof, the method or methods for financing the improvement, the order in which the various sections or parts are to be constructed or acquired, the system of management to be adopted, the estimated cost of the various sections or parts of the system, and such other matters as the legislative body of the city shall require: Provided, however, That the financial plan so submitted shall not permit special assessments against any property in excess of actual benefits, meaning increased value, accruing exclusively as a result of said improvement; and the payment of such special assessments made under this subsection, shall be prorated over a period of not less than 10 years.

(2) For negotiating, executing and performing contracts with any other municipality or municipalities, duly authorized and empowered to that end, with reference to the construction, equipment, operation, maintenance and management of a rapid transit system and facilities, and for the financing of any obligations, assumed under or imposed by any such contract. The grants, limitations and restrictions set forth in the preceding subsection of this section shall be deemed applicable to, and shall be observed in the adoption of, charter provisions and amendments hereunder and in the exercise of the authority hereby granted.

History: Add. 1929, Act 126, Eff. Aug. 28, 1929;—CL 1929, 2237;—CL 1948, 117.4g.