

**MASS TRANSPORTATION SYSTEM AUTHORITIES (EXCERPT)**  
**Act 55 of 1963**

**124.352 Incorporation of public authority; purpose; operation of system; articles of incorporation; adoption; indorsement; publication; filing; operative date; presumption of validity; cessation of operation or dissolution of authority; state guaranteed payment of claims for benefits; lien of state.**

Sec. 2. (1) The legislative body of any city having a population of not more than 300,000 may incorporate a public authority for the purpose of acquiring, owning, operating, or causing to be operated, a mass transportation system. The authority shall be authorized to operate the mass transportation system within the boundaries of the city which incorporates the public authority. However, a public authority created before the effective date of section 7a may operate a mass transportation system within the same political subdivisions in which it operates a mass transportation system immediately before the effective date of section 7a and those political subdivisions, other than those political subdivisions which only receive public transportation services from the authority pursuant to a contract, shall be considered to be members of the authority. A public authority may also operate a mass transportation system within a political subdivision which, by a resolution adopted by a majority vote of the members elected to and serving on the legislative body of the political subdivision, requests membership in the authority, but only if a majority of the members of the board of the authority, by resolution, approve the request. If a political subdivision joins the authority, the board shall amend the articles of incorporation accordingly. The clerk of the political subdivision being added shall execute the amendment, which shall be filed and published in the same manner as the original articles of incorporation.

(2) The incorporation shall be accomplished by adoption of articles of incorporation by an affirmative vote of a majority of the members elect of the legislative body of the city. The fact of adoption shall be indorsed on the articles of incorporation by the mayor and clerk of the city in form substantially as follows:

"The foregoing articles of incorporation were adopted by an affirmative vote of a majority of the members elect of the (name of legislative body) of the city of ....., ..... county, Michigan, at a meeting duly held on the ..... day of ....., A.D. .... (year)".

.....  
Mayor

.....  
Clerk

The articles of incorporation shall be published at least once in a newspaper designated in the articles and circulated within the area proposed to be served by the mass transportation system. One printed copy of the articles of incorporation certified as a "true copy" by the person or persons designated with the date and place of the publication, shall be filed with the secretary of state and with the clerk of the county within which the area to be served by the mass transportation system is located. The authority shall become operative at the time provided in the articles of incorporation. The validity of the incorporation shall be conclusively presumed unless questioned in a court of competent jurisdiction within 60 days after the filing of the certified copies with the secretary of state and with the county clerk.

(3) If the authority ceases to operate or is dissolved and a successor agency is not created to assume its assets and liabilities and perform its functions, and the state guarantees the payment of claims for benefits arising under Act No. 317 of the Public Acts of 1969, as amended, being sections 418.101 to 418.941 of the Michigan Compiled Laws, against the authority, during the time the authority was approved as a self-insurer under section 611(1)(a) of Act No. 317 of the Public Acts of 1969, as amended, being section 418.611 of the Michigan Compiled Laws, the state shall be entitled to a lien which shall take precedence over all other liens on its portion of the assets of the authority in satisfaction of the payment of claims for benefits under Act No. 317 of the Public Acts of 1969, as amended.

**History:** 1963, Act 55, Imd. Eff. Apr. 29, 1963;—Am. 1969, Act 212, Eff. Mar. 20, 1970;—Am. 1980, Act 397, Imd. Eff. Jan. 8, 1981;—Am. 1980, Act 410, Imd. Eff. Jan. 9, 1981;—Am. 1983, Act 137, Imd. Eff. July 18, 1983.