

**MICHIGAN ENERGY EMPLOYMENT ACT OF 1976 (EXCERPT)**  
**Act 448 of 1976**

ARTICLE 1

GENERAL ADMINISTRATIVE PROVISIONS

**460.801 Short title.**

Sec. 1. This act may be cited as the "Michigan energy employment act of 1976".

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977.

**460.802 Meanings of words and phrases.**

Sec. 2. For purposes of this act, the words and phrases defined in sections 3 to 6 shall have the meanings respectively ascribed to them in those sections.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977.

**460.803 Definitions; E to J.**

Sec. 3. (1) "Electric utility facility" means a facility which a municipality is authorized to acquire as part of a municipal electric utility system under this act or other law.

(2) "Governing body" means the council, commission, or board of trustees of a municipality, or when the charter of a municipality provides that a separate board has general management over the municipal electric utility system, "governing body" means that separate board, subject to review by the legislative body of the municipality as its charter may provide.

(3) "Governmental unit" means a municipality or a joint agency.

(4) "Joint agency" means a public body corporate and politic consisting of a combination of 2 or more municipalities, authorities, or other public bodies organized under article 3.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977;—Am. 2008, Act 21, Imd. Eff. Mar. 7, 2008.

**460.804 Definitions; M.**

Sec. 4. (1) "Municipal bond" means a bond or note or other evidence of indebtedness payable from ad valorem taxes which a governmental unit may issue.

(2) "Municipal electric utility system" means a system owned by a municipality or combination of municipalities to furnish heat, power, and light.

(3) "Municipality" means a city, county, incorporated village, township, or metropolitan district of this state, or a board, agency, or commission thereof, owning a system or facility for the generation, transmission, or distribution of electric power and energy for public or private use, or proposing to own such a system or facility.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977.

**460.805 Definitions; P.**

Sec. 5. (1) "Project" means a system or facility, inside or outside the state, or service related to a system or facility inside or outside the state, for the generation, transmission, or transformation of electricity, in whole or in part, or for sale to or use by a municipal electric utility system or joint agency by any means. Project also means stock, membership units, contractual interests, or any other interest in a system or facility, inside or outside of the state, for the generation, transmission, or transformation of electricity or in a multistate regional transmission system organization approved by the federal government and operating in this state or a transmission-owning entity which is a member of a multistate regional transmission system organization approved by the federal government and operating in this state.

(2) "Project cost" includes, but is not limited to, the cost of acquisition, construction, improvement, or extension of a project, the cost of studies, plans, specifications, surveys, and estimates of related costs and revenues, the cost of land, land rights, rights of way, easements, water rights, fees, permits, approvals, licenses, certificates, franchises, and the preparation of any required applications, engineering and inspection expenses, financing costs, working capital, fuel costs, interest on bonds, establishment of reserves, and all other costs of the municipality or joint agency that are incidental, necessary, or convenient to the acquisition, construction, improvement, or extension of a project.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977;—Am. 2002, Act 513, Imd. Eff. July 23, 2002;—Am. 2008, Act 21, Imd. Eff. Mar. 7, 2008.

**460.806 Definitions; P to R.**

Sec. 6. (1) "Person" means an individual, corporation, association, partnership, governmental entity, or any

other legal entity.

(2) "Power utility" means any person engaged or that may engage, inside or outside the state, in generating, transmitting, or distributing or furnishing electricity.

(3) "Power utility bond" means electric utility bonds, notes, or other evidences of indebtedness of a municipality, including refunding bonds issued to underwrite projects authorized by this act.

(4) "Revenues" means all fees, charges, moneys, profits, payment of principal of, or interest on, municipal or power utility bonds, or other gifts, grants, contributions and appropriations.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977;—Am. 2008, Act 21, Imd. Eff. Mar. 7, 2008.

#### **460.807 Sources of electrical energy for distribution and sale; facilities for control, abatement, or prevention of pollution or damages to environment; facilities for safe disposal of waste or by-products.**

Sec. 7. The governing body of a municipal electric utility system may purchase, acquire, construct, improve, enlarge, extend, or repair in the name of the municipality a source or sources of electrical energy for distribution and sale by the municipal electric utility system, whether the source is located within or without the state. A source may include, but not be limited to, facilities utilizing fossil fuels, garbage, trash, and other waste materials, nuclear fuels, water power (including pumped storage), solar energy, wind power, geothermal energy, energy derived from municipal waste of any kind, or other energy or fuel sources of whatever nature. The governing body may in relation to a source, purchase, acquire, construct, improve, enlarge, extend, or repair facilities for the control, abatement, or prevention of pollution or damage to the environment which might otherwise be caused by facilities for the generation of electric power, and may acquire facilities for the safe disposal of waste or by-products from the generation of electrical power.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977.

#### **460.808 Fuel sources and reserves; facilities for transportation and storage.**

Sec. 8. The governing body of a municipal electric utility system may purchase, acquire, construct, improve, enlarge, extend, or repair in the name of the municipality fuel sources and reserves it deems necessary to the continued efficient operation of the municipal electric utility system, together with the necessary facilities for transportation and storage. The fuel sources and reserves may include, but not be limited to, advance payments on contracts for nuclear fuels, and contracts for heat from facilities belonging to others. Facilities for transportation and storage of fuels shall include, but not be limited to, pipelines, conveyor systems, railroad cars, ships, storage tanks, underground storage areas, and other necessary and related appurtenances.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977.

#### **460.809 Facilities for transmission of energy; contracts with other power utilities.**

Sec. 9. The governing body of a municipal electric utility system may purchase, acquire, construct, improve, enlarge, extend, or repair facilities for the transmission of energy, and may contract for the purchase, sale, exchange, interchange, wheeling, pooling, or transmission of electrical energy with another power utility for a consideration and for a period and upon other terms and conditions as may be determined by the parties to the agreement.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977;—Am. 2008, Act 21, Imd. Eff. Mar. 7, 2008.

#### **460.810 Electric utility facilities; exercise of authority by governing body.**

Sec. 10. The governing body of a municipal electric utility system may exercise its authority to plan, finance, acquire, construct, own, operate, maintain, and improve electric utility facilities, individually, in joint venture agreements authorized by article 2, or in joint agency agreements as authorized by article 3, or in other joint endeavors authorized by this act or other law, and in cooperation with 1 or more other power utilities, whether authorized by this act or other law.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977.

#### **460.811 Joint venture, joint agency agreement, or other joint endeavor; percentage of common facility to be owned; exception; defraying interest and other payments; operation and maintenance expenses.**

Sec. 11. A municipality engaging in a joint venture, joint agency agreement, or other joint endeavor described in section 10 and authorized by article 2 or article 3 shall own a percentage of any common facility equal to the percentage of the money furnished or the value of the property supplied by the municipality for the acquisition and construction of the common facility, except in the case of a facility at least 2/3 of which is

owned or to be owned by a state, a political subdivision of this or another state or a Canadian province, an agency of this or another state or of a political subdivision of this state or another state, a federal agency, or a Canadian federal or provincial agency or agency of a political subdivision of a Canadian province, or any corporation or other entity controlled directly or indirectly by 1 or more of the entities listed above, in which case ownership shall be as provided in the contract between the municipality or joint agency and the entity owning or to own at least 2/3 of the facility. Each municipality in a joint endeavor shall defray its own interest and other payments required to be made in connection with a financing undertaken by it to pay its own percentage of the money furnished or the value of the property supplied by it for the planning, acquisition, and construction of a common facility, or an addition or betterment to the common facility. The agreement shall provide a uniform method of determining and allocating operation and maintenance expenses of the joint facility or agency.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977;—Am. 2008, Act 21, Imd. Eff. Mar. 7, 2008.

#### **460.812 Financing cost of electric utility facility; bonds.**

Sec. 12. A municipality may finance the cost of an electric utility facility, or its share of the cost of an electric utility facility acquired jointly pursuant to article 2 or article 3 or other law, by any lawful means available to the municipality, including the issuance of general obligation bonds pursuant to charter authority, the issuance of revenue bonds pursuant to Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139 of the Michigan Compiled Laws, or the issuance of mortgage bonds pursuant to charter authority. An agreement for the joint acquisition of facilities entered into under this act shall be subject to provisions contained in this and other law relating to the issuance of bonds by the municipality. It is declared to be in the public interest and for a public purpose that power utilities be permitted to participate jointly in the development of electric facilities as provided in this act as a means of achieving economies of scale and promoting the economic development of the state; and to this end the issuance of revenue bonds is a public purpose. A municipality may pledge for the payment of the principal of, premium if any, and interest on the bonds, the revenues, or a portion thereof, derived or to be derived from the ownership and operation of the municipality's system or facilities for the generation, transmission, or distribution of electric power or energy, or its interest in a joint project or projects, except that the proceeds of the bonds issued for a joint project and the faith and credit of the municipality pledged for the bonds shall be dedicated exclusively to the acquisition of the municipality's undivided share of a joint project as specified in section 11.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977.

#### **460.813 Exemption from taxation.**

Sec. 13. To the extent of ownership by governmental units or joint agencies, projects undertaken pursuant to joint venture agreements authorized by article 2 or joint agency agreements authorized by article 3 of this act are exempt from assessment, collection, and levy of general or special taxes of the state or its political subdivisions. Income produced from municipal ownership in a joint venture or a joint agency shall be exempt from taxation by the state or its political subdivisions. A joint agency corporation formed under article 3 shall not be required to pay taxes upon its income, existence, or franchise. The bonds and notes issued by a municipality in a joint venture agreement or a joint agency corporation, their transfer and the income therefrom, including a profit made on the sale of the bonds or notes, shall be exempt from taxation within this state.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977.

#### **460.814 License agreements.**

Sec. 14. In connection with the ownership and operation of an electric utility facility, whether owned individually or jointly, the governing body of a municipal electric utility system may enter into the necessary license agreements with federal, state, or Canadian regulatory agencies, and comply with conditions imposed by the licensing agency, including, but not limited to, actions necessary to preserve and protect the environment, the acquisition of required public liability insurance, including waiver of defenses and payment of retrospective premiums, and other actions as may be necessary.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977.

#### **460.815 Grants in aid and loans.**

Sec. 15. The governing body of a municipality or the board of commissioners of a joint agency may make application and enter into contracts for, and accept grants in aid and loans from state and federal agencies and private and public organizations for any purpose authorized by this act. Pursuant to this authority, the governing body of a municipality or the board of commissioners of a joint agency may:

(a) Enter into and carry out contracts with the state or federal government or an agency or institution thereof under which the government, agency, or institution grants financial or other assistance to the municipality or joint agency.

(b) Accept assistance or funds granted or loaned by the state or federal government, with or without a contract.

(c) Agree to or comply with reasonable conditions which are imposed upon a grant or loan accepted under this section.

(d) Make expenditures from funds granted or loaned.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977.

#### **460.816 Eminent domain.**

Sec. 16. A municipality may take private property under Act No. 149 of the Public Acts of 1911, as amended, being sections 213.21 to 213.41 of the Michigan Compiled Laws, for the purposes defined in and authorized by this act, which taking and use shall be considered necessary for public purposes and for public benefit, except that a municipality shall not exercise its power of eminent domain to acquire an existing electrical generation or transmission facility or a part thereof held in private ownership, without first securing in writing the approval of the lawful private owner or owners. The acquired property may be conveyed for use in joint agency or joint venture projects authorized by this act in a manner and upon terms as the municipality deems appropriate.

**History:** 1976, Act 448, Imd. Eff. Jan. 13, 1977.