

# HOUSE BILL No. 6430

October 4, 2018, Introduced by Reps. Miller and Lower and referred to the Committee on Energy Policy.

A bill to amend 1909 PA 279, entitled "The home rule city act," by amending section 4f (MCL 117.4f), as amended by 2000 PA 156.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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

3           (a) For the purchase or condemnation of franchises, if any  
4 exist, and of the property used in the operation of companies or  
5 individuals engaged in the road, cemetery, hospital, almshouse,  
6 electric light, gas, heat, water, and power business, and in cities  
7 having more than 25,000 inhabitants, for the purchase of the  
8 franchise, if any exist, and the property of street railway and  
9 tram railway companies. A city may in its charter allow for a

1 contract, upon the terms, including terms of present or deferred  
2 payment, and upon the conditions and in the manner as the city  
3 considers proper, to purchase, operate, and maintain any existing  
4 public utility property for supplying water, heat, light, power, or  
5 transportation to the city and the city's inhabitants. The contract  
6 does not bind the city unless the proposition for the contract  
7 receives the affirmative vote of 3/5 of the electors voting at a  
8 regular or special election. For the purchase of a transportation  
9 utility, the charter amendment and the contract to purchase may  
10 provide for a sinking fund, into which ~~shall~~**MUST** be paid, from the  
11 earnings of the utility, sums sufficient to purchase the utility  
12 and perform the obligations of the contract. Within a reasonable  
13 time after the acquisition of a public transportation utility, a  
14 system of civil service for the selection and retention of its  
15 employees ~~shall~~**MUST** be established. If a vote is taken to amend a  
16 city charter to allow an acquisition under this subdivision, a vote  
17 may also be taken at the same election to approve a particular  
18 contract. The vote upon the charter amendment and upon the purchase  
19 contract ~~shall~~**MUST** be by separate ballots. If a transportation  
20 utility is acquired under this subdivision, state taxes and local  
21 taxes on any portion of the property lying outside of the city  
22 limits ~~shall~~**MUST** be paid as if privately owned. The powers under  
23 this subdivision are in addition to any other powers provided for  
24 under this section.

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

1 limits.

2 (c) For the purchase and condemnation of private property for  
3 any public use or purpose within the scope of its powers; for the  
4 acquirement, ownership, establishment, construction, and operation,  
5 either within or outside its corporate limits, of public utilities  
6 for supplying water, light, heat, power, and transportation to the  
7 city and the city's inhabitants, for domestic, commercial, and  
8 municipal purposes; for the sale of heat, power, and light outside  
9 its corporate limits in an amount as determined by the governing  
10 body of the utility supplying the heat, power, or light except that  
11 electric delivery service is limited to the area of any village or  
12 township that was contiguous to the city as of June 20, 1974, and  
13 to the area of any other village or township being served as of  
14 June 20, 1974 and retail sales of electric generation service are  
15 limited to the area of any city, village, or township that was  
16 contiguous to the city, village, or township as of June 20, 1974,  
17 and to the area of any other city, village, or township being  
18 served as of June 20, 1974; ~~unless the municipal utility is in~~  
19 ~~compliance with section 10y(4) of 1939 PA 3, MCL 460.10y;~~ for the  
20 sale and delivery of water outside of its corporate limits in the  
21 amount as may be determined by the legislative body of the city;  
22 and for the operation of transportation lines outside the city and  
23 within 10 miles from its corporate limits. A city shall not render  
24 electric delivery service for heat, power, or light ~~to customers~~  
25 outside its corporate limits ~~already~~ **TO A CUSTOMER THAT IS**  
26 **CURRENTLY** receiving **OR WITHIN THE PREVIOUS 3 YEARS HAS RECEIVED**  
27 that service from another utility unless that utility consents in

1 writing. ~~7 and shall not render retail electric generation service~~  
 2 ~~to customers outside its corporate limits receiving that service~~  
 3 ~~from another supplier except in compliance with section 10y of 1939~~  
 4 ~~PA 3, MCL 460.10y.~~ The acquirement of a utility together with all  
 5 properties, franchises, and rights necessary for its establishment,  
 6 ownership, construction, operation, improvement, extension, and  
 7 maintenance, whether the properties, franchises, and rights are  
 8 situated within or outside the corporate limits of the city, may be  
 9 either by purchase or condemnation. If the acquirement is by  
 10 condemnation, 1911 PA 149, MCL 213.21 to 213.25, may be used for  
 11 instituting and prosecuting the condemnation proceedings. A public  
 12 utility is not acquired unless the proposition to do so first  
 13 receives the affirmative vote of 3/5 of the electors of the city  
 14 voting at a regular or special municipal election. ~~For purposes of~~  
 15 **AS USED IN** this subdivision:

16 **(i) "CUSTOMER" MEANS THE BUILDING OR FACILITIES SERVED RATHER**  
 17 **THAN THE INDIVIDUAL, ASSOCIATION, PARTNERSHIP, CORPORATION,**  
 18 **GOVERNMENTAL BODY, OR ANY OTHER ENTITY TAKING SERVICE.**

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

21 **(iii)** ~~(ii)~~ "Electric generation service" means the sale of  
 22 electric power and related ancillary services.

23 (d) For the acquiring, establishment, operation, extension,  
 24 and maintenance of sewage disposal systems, sewers, and plants,  
 25 either within or outside the corporate limits of the city, as a  
 26 utility, including the right to acquire necessary property by  
 27 purchase, gift, or condemnation, and including the fixing and

1 collecting of charges exclusively for service covering the cost of  
2 the service. This subdivision allows a return on the fair value of  
3 the property devoted to the service, excluding the valuations of  
4 the portions of the system that were paid for by special  
5 assessment, which may be made as a lien upon the property served  
6 and if not paid when due, collected in the same manner as other  
7 city taxes.