

**WATER POWER COMPANIES**  
**Act 202 of 1887**

AN ACT to authorize the formation of corporations for the purpose of damming, excavating, constructing and maintaining water courses with water power appurtenant thereto, for accumulating, storing, conducting, selling, furnishing and supplying upon an agreed rental, water and water power for mining, milling, manufacturing, domestic, municipal and agricultural purposes and for purposes of navigation.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887.

*The People of the State of Michigan enact:*

**486.101 Water power and supply corporations; incorporators; powers.**

Sec. 1. That any number of persons not less than 5 may form themselves into a corporation for the purpose of damming any stream and of excavating and constructing, maintaining, repairing and improving any canal already existing or which they may wish to excavate and construct with water power appurtenant thereto and may own, lease, use and control the same for the purpose of accumulating, storing, conducting, selling, furnishing and supplying upon an agreed rental water and water power, for mining, milling, manufacturing, domestic, municipal and agricultural purposes and for purposes of navigation, and may acquire, hold, lease and convey lands or water power as may be necessary or convenient for the purposes above specified by complying with the following requirements.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895r;—CL 1897, 6806;—CL 1915, 8904;—CL 1929, 11839;—CL 1948, 486.101.

**486.102 Certificate; contents; recording and filing.**

Sec. 2. Such persons under their hands and seals, shall make a certificate which shall specify:

First, The name of the corporation;

Second, A statement of the amount of capital stock of such company, and the number of shares into which the capital stock shall be divided;

Third, The county and townships within this state in which such canal is to be excavated and constructed, and the operations of said company carried on;

Fourth, The business and object of said company in general terms;

Fifth, The names and places of residence of the stockholders, and the number of shares held by each of them respectively;

Sixth, The names of the first directors, being not more than 7, and not less than 5;

Seventh, The place in this state where their office for the transaction of business is located;

Eighth, The term of existence of such corporation, which certificate shall be acknowledged as deeds are required to be acknowledged, and recorded in the office of the clerk of the county in which the office of said company for the transaction of business is located, and a copy thereof filed in the office of the secretary of state.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895s;—CL 1897, 6807;—CL 1915, 8905;—CL 1929, 11840;—CL 1948, 486.102.

**486.103 Body corporate; governing laws.**

Sec. 3. Upon complying with the provisions of the last preceding section such company shall be a body corporate by the name designated in said certificate, and shall be subject to and governed by all the general provisions relating to corporations embraced in chapter 130 of the Compiled Laws of the state of Michigan, now in force, so far as the same shall be applicable thereto.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 2895t;—CL 1897, 6808;—CL 1915, 8906;—CL 1929, 11841;—CL 1948, 486.103.

**Compiler's note:** For provisions of chapter 130, referred to in this section, see MCL 450.504 et seq.

**486.104 Board of directors; members, election, qualification.**

Sec. 4. The business and property of such company shall be managed and directed by a board of not less than 5 nor more than 7 directors, who shall be elected annually, and at such time and place as said by-laws may direct. No person shall be a director unless he is a stockholder in the corporation.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895u;—CL 1897, 6809;—CL 1915, 8907;—CL 1929, 11842;—CL 1948, 486.104.

**486.105 Board of directors; election, notice.**

Sec. 5. In case it shall happen that an election for directors shall not be held as provided, the said corporation shall not be for that reason dissolved, but such election shall be held on some future day to be fixed by the directors holding over, upon giving the notice therefor as in this act provided.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895v;—CL 1897, 6810;—CL 1915, 8908;—CL 1929, 11843;—CL 1948, 486.105.

#### **486.106 Board of directors; majority control.**

Sec. 6. A majority of the directors shall be a board for the transaction of business, and the acts of a majority of the board shall bind the corporation.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895w;—CL 1897, 6811;—CL 1915, 8909;—CL 1929, 11844;—CL 1948, 486.106.

#### **486.107 Capital stock; subscriptions; increase; procedure.**

Sec. 7. The directors of any such company may at any time receive subscriptions to stock in said company until the whole amount mentioned in their articles of association shall be subscribed, and whenever, in the judgment of the directors, it shall be necessary to increase the capital stock of any such company for the extension or more perfect completion of such proposed work, or to provide lands and buildings needful for its use, it shall be competent for such directors, with the approval or ratification of the holders of a majority of the capital stock, at any lawful meeting of the stockholders, to provide for such increase, and in all cases where such capital stock is increased, a certificate thereof shall be signed, certified, and filed as hereinbefore required in the case of original articles of association.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895x;—CL 1897, 6812;—CL 1915, 8910;—CL 1929, 11845;—CL 1948, 486.107.

#### **486.108 Capital stock; subscriptions, calling in; sale, procedure, proceeds; purchaser's rights.**

Sec. 8. The directors may call in subscriptions to the capital stock of such corporation by installments, in such portions, and at such times and places as they shall think proper, by giving notice thereof as the by-laws shall prescribe; and in case any stockholder shall neglect or refuse payment of any such installment for the space of 60 days after the same shall become due and payable, and after he shall have been notified thereof, the stock of such delinquent stockholder may be sold by the directors, at public auction, at the office of the secretary of the corporation, giving at least 30 days' notice in some newspaper published in the county: Provided, That if said stockholder shall reside in this state, the stock shall be sold at the business office of said corporation, in the county in which they are doing business, giving at least 30 days' notice thereof in some newspaper published in the county. If no newspaper be published in the county in which such corporation transacts their business, then it shall be published in the newspaper in the city of Detroit, which shall have at the time the largest circulation; and the proceeds of such sale shall be at first applied in payment of the installment called for, and the expenses on the same, and the residue shall be refunded to the owner thereof; and such sale shall entitle the purchaser to all the rights of a stockholder to the extent of the shares so bought.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895y;—CL 1897, 6813;—CL 1915, 8911;—CL 1929, 11846;—CL 1948, 486.108.

#### **486.109 Corporate powers, liabilities and restrictions.**

Sec. 9. Every such corporation, organized as hereinbefore prescribed, shall have the following powers and be subject to the liabilities and restrictions following, that is to say:

First, To cause such examinations and surveys for the proposed improvements whether dam-locks, canals or digging or deepening of channels to be made as may be necessary to prepare for the work to be done;

Second, To purchase and by voluntary grants and donations to receive, enter upon, take hold and use all such lands and real estate and other property as may be necessary for the construction and maintenance of the work proposed in the approved plans of such company;

Third, To divert into any canal excavated or constructed under the provisions of this act, waters from Lake Paw Paw or Paw Paw river or any tributary stream in Berrien county, state of Michigan, to flood lands belonging to said company or subject to condemnation proceedings as provided by law, by constructing the necessary dams in said canal or in creeks or other water courses subject to the consent of the board of supervisors of the proper county in which said waters so diverted or dammed are situated;

Fourth, The acquisition of lands shall be under the same rules and forms as near as practicable as are provided in cases for the acquisition of lands for right of way of railway lines, when the railway company is unable to agree with the owners or legal representatives for the purchase of any real estate;

Fifth, To issue its construction bonds to an amount not exceeding 50 per centum of its capital stock bearing

a rate of interest not above 7 per cent and payable at any such time as the board of directors may determine, on approval of a majority in interest of the stockholders voting at any regular or called meeting of their body;

Sixth, That in any case where the company is unable to agree with the owners of land needed for or in the work of constructing a navigable waterway, as herein provided, or cannot agree with any highway commissioner, or other authority, as to the crossing or changing of roads, streets, or streams, then and in all such cases the same laws providing for the incorporation of railroad companies, and providing for the condemnation of lands to the public use in certain cases, shall govern and be the rule of action or procedure so far as practicable; and any company undertaking to construct a navigable waterway, with or without water power appurtenant thereto, and intending to do a transportation business upon such waterway, shall have the same rights and privileges for procuring right of way, needed lands, or real estate of any kind, or of crossing streams and highways, as the laws of Michigan allow railroad companies.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895z;—CL 1897, 6814;—CL 1915, 8912;—CL 1929, 11847;—CL 1948, 486.109.

#### **486.110 Power to construct railroads, telegraph and telephone lines; holding of realty.**

Sec. 10. Said corporation may, in the exercise of its discretion, erect along the line of its canal or over different portions of its property, such railroads as may be necessary for connecting manufacturing establishments situated upon or connected with their premises or enjoying water privileges from them with any line of railroad or any harbor near them, and such telegraph lines or telephonic lines as may be reasonably necessary or convenient in connection therewith. Said corporation may purchase and hold such tracts of land along the line of its canal and water courses, as may reasonably be necessary or convenient for the conveying of water, storing it and dispensing and dividing it among those who wish to purchase or lease it for any of the purposes mentioned in this act, or for the purpose of erecting manufactories or mills upon.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895z-1;—CL 1897, 6815;—CL 1915, 8913;—CL 1929, 11848;—CL 1948, 486.110.

#### **486.111 Furnishing and use of water; rent, collection.**

Sec. 11. Such company may furnish water to other persons or companies for mining, manufacturing, milling, domestic, municipal or agricultural purposes, on such rent as shall be agreed upon by and between it and those desiring to obtain it, or it may use the same for such purposes itself in any class of manufacturing purposes. It is authorized to bring suit to enforce the payment of such rent in any proper court of the county where its principal office is located.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895z-2;—CL 1897, 6816;—CL 1915, 8914;—CL 1929, 11849;—CL 1948, 486.111.

#### **486.112 Injury to stream or property; misdemeanor, penalty.**

Sec. 12. If any person shall willfully obstruct any stream or waters improved under the provisions of this act or any part thereof, or shall willfully destroy or injure any buildings, piers, dams, fixtures, banks, or other constructions in use upon the same, belonging to said company, such person or persons so offending, shall, for every offense, be deemed guilty of a misdemeanor, and shall be punished by a fine not exceeding 500 dollars, or by imprisonment in the county jail not more than 1 year, in the discretion of the court.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895z-3;—CL 1897, 6817;—CL 1915, 8915;—CL 1929, 11850;—CL 1948, 486.112.

#### **486.113 Board of directors; annual report, contents.**

Sec. 13. On or before the first Monday in July in each year it shall be the duty of the directors of every company formed under this act to report to the secretary of state, under the oath of the secretary and at least 2 of the directors, the length of the stream or waters so constructed or improved, the cost of such improvements, the amount of money expended, the amount of their capital, how much of the same is paid in, and how much is expended, the whole amount of tolls or earnings expended on such improvements, the amount of money received during the previous year for tolls, and from all other sources, stating each separately, the amount set apart for repairs, the amount of dividends made, and the amount of indebtedness of such company, specifying the object for which such indebtedness accrued.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895z-4;—CL 1897, 6818;—CL 1915, 8916;—CL 1929, 11851;—CL 1948, 486.113.

#### **486.114 Realty; purchase, holding, disposal; limitations.**

Sec. 14. Each and every company formed under this act shall have authority to purchase and hold land adjacent to or within convenient distance of any canal constructed under the provisions of this act, for the

purpose of platting and selling to manufacturers, their operatives or to other persons, and shall have authority to lease, mortgage or otherwise dispose of real or personal property: Provided, That no land shall be held by said company for the purposes stated in this section for a longer period than 10 years from the time when the same shall have been acquired, nor exceeding in amount 2,000 acres.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895z-5;—CL 1897, 6819;—CL 1915, 8917;—CL 1929, 11852;—CL 1948, 486.114.

#### **486.115 Stockholder's liability; recovery prerequisites.**

Sec. 15. The stockholders of every company organized in pursuance of this act shall be jointly and severally personally liable for the payment of all debts and demands against such association, which shall be contracted, or which shall be or shall become due during the time of their holding such stocks, for any labor or services done or performed for such company, but no stockholder shall be proceeded against for the collection of any debt or demand against such company until execution or [on] judgment for such labor and services shall have been returned unsatisfied, or unless such association shall be dissolved.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895z-6;—CL 1897, 6820;—CL 1915, 8918;—CL 1929, 11853;—CL 1948, 486.115.

#### **486.116 Shares deemed personal property; transfer.**

Sec. 16. The shares of any company formed under this act shall be deemed personal property, and may be transferred as shall be prescribed by the by-laws of such company.

**History:** 1887, Act 202, Imd. Eff. June 18, 1887;—How. 3895z-7;—CL 1897, 6821;—CL 1915, 8919;—CL 1929, 11854;—CL 1948, 486.116.

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