

HOUSE BILL No. 5190

September 7, 2007, Introduced by Reps. Young and Lemmons and referred to the Committee on Transportation.

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 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 be established. If a vote is taken to amend a city
16 charter to allow an acquisition under this subdivision, a vote may
17 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 be by separate ballots. If a transportation utility
20 is acquired under this subdivision, state taxes and local taxes on
21 any portion of the property lying outside of the city limits shall
22 be paid as if privately owned. The powers under this subdivision
23 are in addition to any other powers provided for under this
24 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. A CITY MAY PERMIT VIDEO SURVEILLANCE CAMERAS TO BE USED IN
2 OR ON A TRANSPORTATION FACILITY INCLUDING, BUT NOT LIMITED TO, A
3 MOTOR BUS OPERATED PURSUANT TO THIS SUBDIVISION.

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

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

17 (i) "Electric delivery service" has the same meaning as
18 "delivery service" under section 10y of 1939 PA 3, MCL 460.10y.

19 (ii) "Electric generation service" means the sale of electric
20 power and related ancillary services.

21 (d) For the acquiring, establishment, operation, extension,
22 and maintenance of sewage disposal systems, sewers, and plants,
23 either within or outside the corporate limits of the city, as a
24 utility, including the right to acquire necessary property by
25 purchase, gift, or condemnation, and including the fixing and
26 collecting of charges exclusively for service covering the cost of
27 the service. This subdivision allows a return on the fair value of

1 the property devoted to the service, excluding the valuations of
2 the portions of the system that were paid for by special
3 assessment, which may be made as a lien upon the property served
4 and if not paid when due, collected in the same manner as other
5 city taxes.