

HOUSE BILL No. 4125

February 9, 1989, Introduced by Reps. Honigman, Willis Bullard, Munsell, Dunaskiss and Jondahl and referred to the Committee on Taxation.

A bill to amend sections 1, 2, and 4 of Act No. 312 of the Public Acts of 1929, entitled "The metropolitan district act," being sections 119.1, 119.2, and 119.4 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 1, 2, and 4 of Act No. 312 of the
2 Public Acts of 1929, being sections 119.1, 119.2, and 119.4 of
3 the Michigan Compiled Laws, are amended to read as follows:

4 Sec. 1. Any COMBINATION OF 2 or more cities; ~~—~~ villages;
5 ~~or~~ townships; ~~or any combination~~ or parts ~~thereof~~ OF
6 CITIES, VILLAGES, OR TOWNSHIPS, may incorporate into a metropoli-
7 tan district or districts comprising territory within their
8 ~~respective~~ limits for the purpose of acquiring, owning,
9 PURCHASING, CONSTRUCTING, operating, and maintaining either

1 within or without their limits ~~, as may be established~~
2 hereunder, parks; PARKING FACILITIES; or public utilities for
3 supplying sewage disposal, drainage, water, or transportation.
4 ~~or any combination thereof. Each organized~~ A PUBLIC UTILITY
5 FOR SUPPLYING TRANSPORTATION INCLUDES A RAPID TRANSIT SYSTEM,
6 WHICH MAY CONSIST OF A TUNNEL, SUBWAY, SURFACE, OR ELEVATED
7 SYSTEM. A district ~~hereunder shall be~~ CREATED UNDER THIS ACT
8 IS a body corporate.

9 Sec. 2. ~~Any~~ A district incorporated under this act ~~shall~~
10 ~~have the power to~~ MAY acquire, own, PURCHASE, CONSTRUCT, oper-
11 ate, and maintain, within or without its limits, parks; PARKING
12 FACILITIES; or public utilities for supplying sewage disposal,
13 drainage, water, or transportation or ~~any combination thereof or~~
14 ~~such of said powers as may be~~ MAY DO ANY COMBINATION OF THESE
15 THINGS AS ARE designated in its charter. ~~Any such~~ A district
16 may sell or purchase, either within or without its limits, sewage
17 disposal or drainage rights ~~, OR~~ water or transportation facil-
18 ities ~~or any combination thereof~~ if so provided by its
19 charter. ~~Any such~~ A district ~~shall have the power to~~ MAY
20 acquire and succeed to ~~any or all of~~ the rights, obligations,
21 and property of ~~any~~ A city; ~~,~~ village; ~~or~~ township; ~~,~~ or
22 ~~any parts thereof,~~ PART OF A CITY, VILLAGE, OR TOWNSHIP com-
23 prising territory within the limits of the district ~~, respect~~
24 ing, ~~affiliated or connected with such~~ CONCERNING THOSE func-
25 tions or public utilities. ~~, or any combination thereof.~~
26 ~~Provided, That no~~ HOWEVER, A city, village, or township shall
27 NOT surrender ~~any such~~ rights, obligations, or property without

1 the approval ~~thereof by~~ OF a majority vote of the electors of
2 ~~any such~~ THE city, village, or township voting on ~~such~~ THE
3 proposition.

4 Sec. 4. Each district incorporated under the provisions
5 ~~hereof~~ OF THIS ACT may provide THE FOLLOWING in its charter:

6 (a) For annually laying and collecting taxes in a sum not to
7 exceed 1/2% ~~of + per centum~~ of the assessed value of all real
8 and personal property in the district.

9 (b) For borrowing money on the credit of the district in a
10 sum not to exceed 2% ~~per centum~~ of the assessed value of all
11 real and personal property in the district for the purpose of
12 acquiring, owning, purchasing, constructing, maintaining, or
13 operating parks; PARKING FACILITIES; or public utilities for sup-
14 plying sewage disposal, drainage, water, or transportation. ~~7~~
15 ~~or any combination thereof: Provided, That any such~~ FOR THESE
16 PURPOSES, A district may borrow money and issue bonds ~~for any of~~
17 ~~the above purposes or any combination thereof which will~~ THAT
18 impose no liability upon the district ~~but which~~ AND may be paid
19 and ARE secured only by special ~~assessment levied against each~~
20 ~~parcel for the particular public improvement herein provided for~~
21 ~~and for the payment of which bonds are issued: Provided further,~~
22 ~~That any~~ ASSESSMENTS. A district ~~incorporated under the provi-~~
23 ~~sions hereof,~~ may, for the purpose of acquiring, owning, pur-
24 chasing, constructing, or operating ~~any~~ A SEWAGE DISPOSAL,
25 DRAINAGE, WATER, OR TRANSPORTATION public utility, ~~herein pro-~~
26 ~~vided for,~~ issue mortgage bonds ~~therefor, or any combination~~
27 ~~thereof, which said mortgage bonds may be issued~~ beyond the

1 general limit of bonded indebtedness prescribed by this act. →
2 ~~Provided, That such mortgage bonds~~ A MORTGAGE BOND issued beyond
3 the general limits of bonded indebtedness shall not impose ~~any~~
4 liability upon the district but shall be secured only upon the
5 property and revenues of ~~such~~ THE public utility, including the
6 franchise. ~~, stating~~ THE MORTGAGE BOND SHALL STATE the terms
7 upon which, in case of foreclosure, the purchaser may operate the
8 ~~same~~ PUBLIC UTILITY, which franchise shall ~~in no case~~ NOT
9 extend for a longer period than 20 years from the date of ~~such~~
10 THE sale of ~~such~~ THE utility and franchise on foreclosure. →
11 ~~And provided, That said~~ THE mortgage bond shall be sold for not
12 less than par ~~,~~ AND bear interest at a rate not in excess of
13 6%, ~~per centum,~~ and the total amount ~~thereof~~ OF THE MORTGAGE
14 BONDS shall not exceed 60% ~~per centum~~ of the original cost of
15 the utility. ~~: And provided further, That the~~ THE charter of
16 ~~any such~~ A district ISSUING MORTGAGE BONDS shall provide for
17 the creation of a sinking fund by setting aside ~~such~~ A percen-
18 tage of the gross or net earnings of the public utility ~~as may~~
19 ~~be deemed~~ sufficient for the payment of the mortgage bonds at
20 maturity.

21 (c) For ~~a lien~~ LIENS on ~~any~~ property and for taxes for
22 the payment of ~~any~~ bonds issued or for the cost and expense of
23 ~~making any improvement herein provided for~~ IMPROVEMENTS MADE
24 PURSUANT TO THIS ACT.

25 (d) For laying and collecting rents, tolls, and excises.

26 (e) For a special assessment district to ~~provide for~~
27 RECOVER the cost ~~and expense~~ of ~~any~~ ACQUIRING, OWNING,

1 PURCHASING, CONSTRUCTING, OPERATING, OR MAINTAINING A park,
2 PARKING FACILITY, or public utility ~~, or combination thereof,~~
3 ~~herein provided for~~ PURSUANT TO THIS ACT. IF THE DISTRICT
4 RECOVERS THE COST OF ACQUIRING, OWNING, PURCHASING, CONSTRUCTING,
5 OPERATING, AND MAINTAINING A PARK OR PARKING FACILITY ENTIRELY BY
6 SPECIAL ASSESSMENTS, THE LEGISLATIVE BODY OF THE DISTRICT MAY
7 LIMIT ACCESS TO THE PARK OR PARKING FACILITY TO THE OWNERS AND
8 OCCUPANTS OF PROPERTY IN THE SPECIAL ASSESSMENT DISTRICT AND
9 THEIR GUESTS AND PATRONS.

10 (f) For the purchase or condemnation of the franchises, if
11 any exist, and ~~of the~~ property used in the operation of com-
12 panies or individuals ~~engaged in or~~ operating public utilities
13 for supplying sewage disposal, drainage, water, or
14 transportation. ~~, or any combination thereof. And each~~ A dis-
15 trict may in its charter provide that it may make a contract,
16 upon ~~such~~ terms ~~, including terms of present or deferred pay-~~
17 ~~ment and upon such conditions and in such manner as~~ THAT the
18 district ~~may deem~~ CONSIDERS proper, to purchase, operate, and
19 maintain ~~any~~ existing public utility property for supplying
20 sewage disposal, drainage, water, or transportation ~~, or any~~
21 ~~combination thereof~~ within or without its limits. ~~, if~~ IF THE
22 UTILITY PROPERTY IS FOR SUPPLYING SERVICE without ~~its~~ THE
23 DISTRICT'S limits, then ~~such~~ THE purchase ~~must~~ OF THE UTILITY
24 PROPERTY SHALL be incidental to the operation and maintenance of
25 ~~such~~ THE public utility. ~~No such~~ SUCH A contract ~~shall~~
26 DOES NOT bind the district unless the proposition ~~therefor shall~~
27 ~~receive~~ TO ENTER THE CONTRACT RECEIVES the affirmative vote of

1 3/5 of the electors voting ~~thereon~~ ON THE PROPOSITION at a
2 regular or special election. ~~In the event of any such~~ IF A
3 purchase IS MADE, the charter ~~amendment~~ and the contract to
4 purchase shall provide for the creation of a sinking fund, into
5 which shall be paid from time to time, from the earnings of the
6 utility, sums sufficient to ~~insure~~ ENSURE the payment of the
7 purchase price and the performance of the obligations of ~~said~~
8 THE contract to the end that the entire cost of ~~such~~ THE public
9 utility shall eventually be paid from its earnings. The powers
10 CONTAINED in this subdivision ~~contained shall be~~ ARE in addi-
11 tion to the OTHER powers provided for in ~~the other subdivisions~~
12 ~~of~~ this act. ~~and particularly this section, and the exercise~~
13 ~~thereof shall not impair or affect the right to exercise any of~~
14 ~~the powers in the other subdivisions of this section conferred.~~

15 (g) For the ACQUISITION, BY purchase, gift, or condemnation,
16 of private property for ~~any public use or~~ A purpose ~~herein~~
17 provided for IN THIS ACT and within the scope of ~~its~~ THE
18 DISTRICT'S power. If THE PROPERTY IS TO BE ACQUIRED by condemna-
19 tion, the provisions of Act NO. 149 of the Public Acts of
20 ~~Michigan, approved March twenty fifth, 1911, entitled "An act to~~
21 ~~provide for the condemnation by state agencies and public corpo-~~
22 ~~rations of private property for the use or benefit of the public,~~
23 ~~and to define the terms 'public corporations', 'state agencies'~~
24 ~~and 'private property' as used herein", or such~~ 1911, BEING SEC-
25 TIONS 213.21 TO 213.25 OF THE MICHIGAN COMPILED LAWS, AND other
26 appropriate STATUTORY provisions ~~therefor as exist or shall be~~

1 ~~made by law~~ may be ~~adopted, and~~ used for the purpose of
2 instituting and prosecuting ~~such~~ THE condemnation proceedings.

3 (h) For the initiative and referendum on ~~all~~ matters
4 within the scope of ~~its~~ THE DISTRICT'S powers and for the
5 recall of ~~all its~~ THE DISTRICT'S officials.

6 (i) For altering, amending, or repealing ~~any~~ A charter
7 affecting the district.

8 (j) For the enforcement of ~~all such~~ local, police, sani-
9 tary, and other regulations ~~as~~ THAT are not in conflict with
10 general laws.

11 (k) For a system of civil service.

12 (l) For the exercise of ~~all~~ district powers in the manage-
13 ment and control of district property and in the administration
14 of ~~metropolitan~~ district government, whether ~~such~~ THE powers
15 ~~be~~ ARE expressly enumerated or not; for any act to advance the
16 interest, ~~of the district, the~~ good government, and prosperity
17 of the district; and ~~to pass all~~ FOR THE PASSAGE OF laws and
18 ordinances relating to its concerns subject to the constitution
19 and general laws of the state. ~~— Provided, That the power to~~
20 ~~acquire a rapid transit system is expressly conferred by this act~~
21 ~~which may consist of a tunnel, subway, surface or elevated system~~
22 ~~or any combination thereof and said rapid transit system shall be~~
23 ~~deemed to be transportation within the meaning of this act and~~
24 ~~the provisions hereof relating to other public utilities shall~~
25 ~~apply thereto.~~