



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 1006 (as enrolled)  
Sponsor: Senator Mat J. Dunaskiss  
Senate Committee: Technology and Energy  
House Committee: Public Utilities

**PUBLIC ACT 322 of 1996**

Date Completed: 8-27-96

**CONTENT**

The bill amended Public Act 266 of 1909, which authorizes a township board to grant a franchise for the right to use its public places for utility and railroad purposes, to require that a franchise granted under the Act be designated as revocable or irrevocable; delete a requirement that all franchise agreements be submitted to the township's electors for approval, and require voter approval only on the irrevocability of a franchise agreement; revise public notice and ballot requirements; continue existing revocable franchises, unless revoked by a township board or otherwise voted by electors; and repeal provisions allowing the question of confirming a franchise agreement to be submitted to electors at a special election, rather than at the next scheduled general election, and specifying that a majority vote of the electors confirms the franchise as irrevocable (MCL 460.604 and 460.605).

Previously, after a franchise had been granted by a township board and accepted in writing by the grantee, the action of the board in granting the franchise had to be submitted to a vote of the township electors for confirmation at the next regular election. If a majority of the electors approved the question, the franchise agreement was confirmed and was irrevocable. If a majority did not approve the question, the franchise agreement was not confirmed. The bill provides, instead, that a township may grant a franchise by a majority of the township board. The board must designate a franchise granted under the Act as either revocable or irrevocable. If it is designated as irrevocable, approval of the franchise as irrevocable must be submitted to the electors at the next election. If the electors do not approve the irrevocability of the franchise, the franchise agreement remains valid but continues as a revocable franchise.

The bill provides that, unless revoked by the township board or otherwise voted by electors, a revocable franchise granted before the bill's effective date (June 26, 1996) is a revocable franchise, subject to the terms and conditions of any existing agreements or contracts between the franchisee and the township.

The bill requires the township clerk, at least 20 days before the next election, to give notice that the question of granting an irrevocable franchise will be submitted to the voters, by posting a notice in three or more public places in the township. (Previously, at least 20 days before the next regular election, the township clerk had to give notice that the question of the confirmation of the granting of a franchise agreement would be submitted to a vote of the electors.) The bill also deleted a requirement that printed ballots be prepared by the township clerk and kept at the polling place for the use of the electors, and be in substantially the form described in the Act.

MCL 460.602 et al.

Legislative Analyst: S. Margules

**FISCAL IMPACT**

The bill will have no fiscal impact on State or local government.

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.