



**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

Senate Bill 1006 (Substitute S-2 as reported)  
Sponsor: Senator Mat J. Dunaskiss  
Committee: Technology and Energy

**CONTENT**

The bill would amend 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 & 460.605).

Currently, after a franchise has been granted by a township board and accepted in writing by the grantee, the action of the board in granting the franchise must be submitted to a vote of the township electors for confirmation at the next regular election. If a majority of the electors approves the question, the franchise agreement is confirmed and is irrevocable. If a majority does not approve the question, the franchise agreement is not confirmed. Under the bill, a franchise would be granted by a majority of the township board and the board would have to designate the franchise as either revocable or irrevocable. If it were designated as irrevocable, approval of the franchise as irrevocable would have to be submitted to the electors at the next election. If the electors did not approve the irrevocability of the franchise, the franchise agreement would remain valid but continue as a revocable franchise.

Under the Act, at least 20 days before the next regular election, the township clerk must give notice that the question of the confirmation of the granting of a franchise agreement will be submitted to a vote of the electors. Under the bill, the clerk would have to provide at least a 20-day notice of the question of a franchise agreement's irrevocability.

Unless revoked by the township board or otherwise voted by electors, a revocable franchise granted before the bill's effective date would continue to be a revocable franchise, subject to the terms and conditions of any existing agreements or contracts between the franchisee and the township.

MCL 460.601 et al.

Legislative Analyst: P. Affholter

**FISCAL IMPACT**

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

Date Completed: 5-14-96

Fiscal Analyst: R. Ross

floor\sb1006

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.