



Senate Fiscal Agency  
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BILL ANALYSIS



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Senate Bill 1006 (as introduced 5-7-96)  
Sponsor: Senator Mat J. Dunaskiss  
Committee: Technology and Energy

Date Completed: 5-8-96

### **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 do all of the following:

- 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.
- 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).

#### **Franchise Agreement**

Currently, the Act allows a township board to grant to any person, partnership, association, or corporation the right to use the township's highways, streets, alleys, and other public places to set poles, string wires, lay pipes or conduits, or lay tracks for railways, and to operate and maintain those facilities, and the right to transact a local business in the township, subject to reasonable regulations as the board prescribes from time to time.

The bill, instead, provides that a township could grant a franchise to any person, partnership, association, or corporation for the right to use the township's highways, streets, alleys, and other public places to conduct business and to install, operate, and maintain poles, wires, pipes, conduits, or railway tracks. The bill also specifies that a township could establish reasonable regulations for the franchise and that a franchise granted could be revocable or irrevocable.

#### **Voter Approval**

Currently, under the Act, 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. The grantee of the franchise, however, may have the question submitted to the electors at a special election to be held not more

than 60 days after the acceptance of the franchise, if the grantee submits a written demand for a special election and pays the township board a sufficient amount to cover the cost of the special 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 regular election. If the electors did not approve the irrevocability of the franchise, the franchise agreement would remain valid but continue as a revocable franchise.

### Public Notice

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. The clerk must post a written or printed notice in three or more public places in the township. The Act also requires that printed ballots be prepared by the clerk and kept at the polling places for the electors' use and specifies the form for those ballots. Under the bill, the clerk would have to provide at least a 20-day notice of the question of a franchise agreement's irrevocability. The bill would retain the requirement that the notice be posted in three or more public places, but would delete the requirements regarding the printed ballots.

MCL 460.601 et al.

Legislative Analyst: P. Affholter

### FISCAL IMPACT

The bill would 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.