

SENATE BILL No. 696

November 14, 2013, Introduced by Senators SMITH, YOUNG, CASPERSON, ANANICH,
MOOLENAAR and RICHARDVILLE and referred to the Committee on Transportation.

A bill to amend 1867 PA 35, entitled
"Nonprofit street railway act,"
by amending sections 13 and 15 (MCL 472.13 and 472.15), as amended
by 2008 PA 481.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 13. (1) A street railway may acquire, own, construct,
2 furnish, equip, complete, operate, improve, and maintain a street
3 railway system in and upon the streets and highways of a road
4 authority with the approval of the road authority, on terms and
5 conditions imposed by the road authority. The approval shall be
6 embodied in an operating license agreement ~~by and among~~ **BETWEEN** a
7 street railway and each road authority with jurisdiction over
8 public streets and highways upon which the street railway operates
9 or seeks to operate a street railway system, including, but not
10 limited to, a city, village, or township road authority located in

1 the city, village, or township in which the street railway system
2 operates or seeks to operate. ~~The~~**AN** operating license agreement
3 shall include the terms and conditions for operation of the street
4 railway system. **AN OPERATING LICENSE AGREEMENT MAY REQUIRE THE**
5 **STREET RAILWAY TO PAY THE DIRECT ADMINISTRATIVE COSTS INCURRED BY**
6 **THE ROAD AUTHORITY IN ADMINISTERING THE OPERATING LICENSE**
7 **AGREEMENT. AN OPERATING LICENSE AGREEMENT SHALL NOT REQUIRE A**
8 **STREET RAILWAY TO ACQUIRE, ACCEPT RESPONSIBILITY FOR, OR OBLIGATE**
9 **ITSELF TO ASSUME LIABILITY FOR OR PAY FOR ANY LEGACY COSTS OF A**
10 **PUBLIC TRANSPORTATION PROVIDER.** Before approving ~~an~~**A PROPOSED**
11 **OPERATING LICENSE** agreement, a road authority shall hold a public
12 hearing on the proposed operating license agreement. The hearing
13 shall be held in the city, village, or township in which the street
14 railway seeks to operate a street railway system and shall be held
15 in compliance with the open meetings act, 1976 PA 267, MCL 15.261
16 to 15.275. Notice of the public hearing shall be provided not less
17 than 20 days before the date of the hearing. One or more road
18 authorities may conduct a joint public hearing under this section.
19 At a public hearing, a street railway and a road authority may
20 present information regarding the proposed operating licensing
21 agreement. ~~as the street railway or the road authority deems~~
22 ~~appropriate.~~ When operating in and upon the streets and highways of
23 a road authority, a street railway is subject to rules,
24 regulations, or ordinances imposed by the road authority. A street
25 railway shall not construct ~~any~~**A** street railway system in and upon
26 the streets and highways of a road authority until the street
27 railway accepts in writing any terms and conditions imposed by the

1 road authority, the operating license agreement is approved under
2 this section, and the agreement is filed with each road authority
3 with jurisdiction over public streets and highways upon which the
4 street railway will operate. A road authority ~~has the power in its~~
5 ~~discretion to~~ **MAY** approve or disapprove an operating license
6 agreement. A decision of a road authority regarding an operating
7 license agreement ~~shall be~~ **IS** final and binding upon a street
8 railway and other interested persons. The street railway shall pay
9 ~~the~~ **A** road authority for all of the road authority's costs incurred
10 in constructing the street railway system, mitigating the impact of
11 the street railway system on road users, the environment, and the
12 surrounding neighborhoods, and modifying the streets or highways
13 impacted by construction of the street railway system, **AS PROVIDED**
14 **IN THE OPERATING LICENSE AGREEMENT. AS A CONDITION TO OBTAINING OR**
15 **HOLDING AN OPERATING LICENSE AGREEMENT, A ROAD AUTHORITY SHALL NOT**
16 **REQUIRE A STREET RAILWAY TO OBTAIN ANY OTHER LICENSE OR FRANCHISE,**
17 **ASSESS ANY OTHER FEE OR CHARGE, OR IMPOSE ANY OTHER LICENSING,**
18 **REGULATORY, OR FRANCHISE REQUIREMENT, INCLUDING A PROVISION**
19 **REGULATING SCHEDULES OR FARES OF A STREET RAILWAY, UNLESS EXPRESSLY**
20 **AUTHORIZED UNDER THIS ACT.**

21 (2) A street railway may acquire, own, construct, furnish,
22 equip, complete, operate, improve, **AND** maintain a street railway
23 system upon public or private rights of way, and obtain easements
24 when necessary for a street railway to acquire and use private
25 property for acquiring, owning, constructing, furnishing,
26 equipping, completing, operating, improving, and maintaining a
27 street railway system.

1 (3) After a road authority consents to the acquiring, owning,
2 constructing, furnishing, equipping, completing, operating,
3 improving, and maintaining of a street railway system on the
4 streets or highways of the road authority or grants a right or
5 privilege to the street railway by entering into an operating
6 license agreement with the street railway, the road authority may
7 not revoke the consent or deprive the street railway of the rights
8 and privileges conferred without affording the street railway
9 procedural due process of law if and to the extent provided in the
10 operating license agreement. ~~for the street railway.~~

11 (4) A street railway may do 1 or more of the following:

12 (a) Acquire by gift, devise, transfer, exchange, purchase,
13 lease, or otherwise on terms and conditions and in a manner the
14 street railway considers proper property or rights or interests in
15 property relating to the operation of the street railway or street
16 railway system.

17 (b) Take, transport, or carry and convey ~~persons~~**INDIVIDUALS**
18 and property on a street railway system and receive just and fair
19 compensation from users of the street railway system for that
20 purpose.

21 (c) Erect and maintain all necessary and convenient buildings,
22 structures, stations, depots, fixtures, and machinery for the
23 accommodation and use of ~~persons~~**INDIVIDUALS** and property
24 transported by the street railway.

25 (d) Regulate the time and manner in which ~~persons~~**INDIVIDUALS**
26 and property ~~may be~~**ARE** transported by the street railway and fares
27 or other compensation ~~may be~~**ARE** paid for that purpose. A street

1 railway may charge just and fair compensation for the use of its
2 street railway system.

3 (e) Borrow money and issue bonds and notes for any
4 indebtedness incurred and ~~may mortgage their~~ street railway
5 property and rights to secure the payment of bonds, notes, money
6 borrowed, and any and all debts and liabilities ~~which~~ **INCURRED BY**
7 the street railway. ~~may incur.~~ A street railway shall not use tax
8 increments to repay bonds and notes.

9 (f) Transfer a street railway system to a public entity
10 operating a public transportation system, **WITH THE CONSENT OF THE**
11 **PUBLIC ENTITY**, if the transfer is authorized by a law enacted after
12 ~~the effective date of the amendatory act that added section~~
13 ~~21.~~ **JANUARY 12, 2009.**

14 (5) **AS USED IN THIS SECTION, "PUBLIC TRANSPORTATION PROVIDER"**
15 **MEANS THAT TERM AS DEFINED IN SECTION 2 OF THE REGIONAL TRANSIT**
16 **AUTHORITY ACT, 2012 PA 387, MCL 124.542.**

17 Sec. 15. (1) Subject to applicable law and applicable
18 regulations of this state, a city, a township, or a village, a
19 street railway may generate, store, transmit, distribute, dispense,
20 furnish, or use electricity and electric power for use or
21 consumption by the street railway and the street railway system.

22 (2) ~~If~~ **EXCEPT AS PROVIDED IN SUBSECTION (3), IF** a street
23 railway requests a public utility to modify or relocate facilities
24 of the public utility that lie within a public street or highway
25 right of way, or if, in response to the construction, expansion, or
26 modification of a street railway system a public utility determines
27 that the public utility should modify or relocate the public

1 utility's facilities, consistent with law, regulation, or good
2 utility practice and unless the street railway and the public
3 utility agree otherwise, the street railway shall pay all costs of
4 the relocation and modification of the facilities to the public
5 utility.

6 (3) SUBSECTION (2) DOES NOT APPLY WITHIN THE GEOGRAPHIC
7 BOUNDARIES OF A LOCAL GOVERNMENT IF THE GOVERNING BODY OF THAT
8 LOCAL GOVERNMENT HAS ADOPTED ARTICLES OF INCORPORATION AND
9 INCORPORATED AN AUTHORITY UNDER SECTION 9 OF THE MUNICIPAL LIGHTING
10 AUTHORITY ACT, 2012 PA 392, MCL 123.1269. AS USED IN THIS
11 SUBSECTION, "LOCAL GOVERNMENT" MEANS THAT TERM AS DEFINED IN
12 SECTION 3 OF THE MUNICIPAL LIGHTING AUTHORITY ACT, 2012 PA 392, MCL
13 123.1263.

14 (4) THE PROPERTY OF A STREET RAILWAY AND ITS INCOME AND
15 OPERATIONS ARE EXEMPT FROM ALL TAXATION BY THIS STATE OR A
16 POLITICAL SUBDIVISION OF THIS STATE.