

# HOUSE BILL NO. 6342

November 12, 2020, Introduced by Rep. Steven Johnson and referred to the Committee on Government Operations.

A bill to amend 1923 PA 116, entitled  
"Township and village public improvement and public service act,"  
by amending section 3a (MCL 41.413a), as amended by 1998 PA 159.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 3a. (1) A waterworks established under sections 1 to 5  
2       and any other service provided under sections 1 to 5 for a district  
3       having a waterworks may be under the control of and operated by a  
4       board of public service commissioners, except that in a village

1 such an improvement or service ~~shall~~**must** be under the control of  
 2 and operated by the legislative body of the village. The board of  
 3 public service commissioners shall consist of 5 commissioners  
 4 elected at the annual township election by the qualified electors  
 5 residing in the district. A vacancy on the board of public service  
 6 commissioners ~~shall~~**must** be filled by the remaining members of the  
 7 board until the next annual township election, at which election  
 8 the vacancy ~~shall~~**must** be filled for the unexpired term. A member  
 9 of the board of public service commissioners ~~shall~~**must** be a  
 10 resident of the district. ~~As used in this section, "annual township~~  
 11 ~~election" means an election held on the first Tuesday after the~~  
 12 ~~first Monday in November every year.~~

13 (2) The township clerk shall call a special township election,  
 14 upon the filing with the clerk of a petition signed by 25  
 15 registered electors of the district, for the election of the  
 16 members of the board of public service commissioners to hold office  
 17 until the first annual township election. At the first annual  
 18 township election held under this section, 2 commissioners ~~shall~~  
 19 **must** be elected for a term of 3 years, 2 commissioners ~~shall~~**must**  
 20 be elected for a term of 2 years, and 1 commissioner ~~shall~~**must** be  
 21 elected for a term of 1 year. After the first annual township  
 22 election, a commissioner ~~shall~~**must** be elected for a term of 3  
 23 years. The commission may hire necessary employees to carry out the  
 24 purpose of sections 1 to 5. ~~The provisions of this~~**This** section ~~do~~  
 25 **does** not apply to a waterworks facility constituting only a part of  
 26 a general township water system. A petition under this subsection,  
 27 including the circulation and signing of the petition, is subject  
 28 to section 488 of the Michigan election law, 1954 PA 116, MCL  
 29 168.488. A person who violates a provision of the Michigan election

law, 1954 PA 116, MCL 168.1 to 168.992, applicable to a petition described in this subsection is subject to the penalties prescribed for that violation in the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(3) A board of public service commissioners may dissolve itself, alone or together with the district, upon satisfaction of all of the following requirements:

(a) The board of public service commissioners ~~shall prepare~~ **prepares** a financial report of the assets and liabilities of the district. The financial report ~~shall~~ **must** include a description of obligations of the district, an accounting of money held by the district, an appraisal or inventory of other assets of the district, and a description of any encumbrances on assets of the district. The board of public service commissioners shall file a copy of the financial report with the township clerk of the township where the district is located.

(b) The board of public service commissioners ~~shall hold~~ **holds** a public hearing on the issue of the dissolution. ~~In~~ **Before January 1, 2022, in** addition to satisfying the requirements of the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, the board of public service commissioners shall publish notice of the hearing in a newspaper of general circulation in the township where the district is located not less than 10 days before the hearing.

**Beginning January 1, 2022, in addition to satisfying the requirements of the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, the board of public service commissioners shall, not less than 10 days before the public hearing, post public notice of the public hearing on the issue of dissolution as set forth in the local government public notice act.** The notice ~~shall~~ **must** give the

1 time, date, location, and purpose of the hearing and state that a  
 2 copy of the financial report is available for public inspection at  
 3 the office of the township clerk.

4 (c) After the hearing, the board of public service  
 5 commissioners ~~shall prepare~~ **prepares** a plan for the transfer of the  
 6 assets and liabilities of the district to the township where the  
 7 district is located. The plan ~~shall must~~ not impair the rights of  
 8 holders of special assessment bonds issued ~~pursuant to under~~  
 9 section 3 or the rights of property owners served by the  
 10 waterworks.

11 (d) The township board of the township where the district is  
 12 located ~~shall adopt~~ **adopts** a resolution agreeing to the dissolution  
 13 of the board of public service commissioners, alone or together  
 14 with the district, in accordance with the plan under subdivision  
 15 (c).

16 (e) After the township board adopts a resolution under  
 17 subdivision (d), the board of public service commissioners ~~shall~~  
 18 ~~adopt~~ **adopts** a consistent resolution to dissolve itself, alone or  
 19 together with the district, in accordance with the plan under  
 20 subdivision (c).

21 (4) As its last act before the effective date of dissolution,  
 22 a board of public service commissioners shall file its records with  
 23 the clerk of the township where the district is located ~~for~~  
 24 safekeeping and reference.

25 **(5) As used in this section, "annual township election" means**  
 26 **an election held on the first Tuesday after the first Monday in**  
 27 **November every year.**

28 Enacting section 1. This amendatory act does not take effect  
 29 unless Senate Bill No. \_\_\_\_ or House Bill No. 6440 (request no.

**1** 02449'19) of the 100th Legislature is enacted into law.