

THE HOME RULE CITY ACT (EXCERPT)
Act 279 of 1909

117.4c Permissible charter provisions.

Sec. 4-c.

Each city which is authorized to acquire, own, purchase, construct or operate any public utility, may provide in its charter for the issuance of mortgage bonds therefor beyond the general limit of the bonded indebtedness prescribed by law, provided that such mortgage bonds issued beyond the general limit of bonded indebtedness prescribed by law shall not impose any liability upon such city but shall be secured only upon the property and revenues of such public utility, including a franchise, stating the terms upon which, in case of foreclosure, the purchaser may operate the same, which franchise shall in no case extend for a longer period than 20 years from the date of the sale of such utility and franchise on foreclosure. Such mortgage bonds shall be sold to yield not to exceed 6 per centum per annum. The charter shall also provide for the creation of a sinking fund in the event of the issuance of such bonds, by setting aside such percentage of the gross or net earnings of the public utility as may be deemed sufficient for the payment of the mortgage bonds at maturity.

History: Add. 1927, Act 287, Imd. Eff. May 31, 1927 ;-- Am. 1929, Act 126, Eff. Aug. 28, 1929 ;-- CL 1929, 2233 ;-- CL 1948, 117.4c