

WATERWORKS (EXCERPT)
Act 113 of 1869

486.317 Municipality as stockholder; issuance of bonds, interest rate limit, tax levy; certain corporations as stockholders.

Sec. 17.

Any such city, town or village may become a stockholder in any such company whenever the common council shall so direct, by resolution duly entered upon its minutes, after the question of so doing shall have been first submitted to the electors of said city, town or village, in such manner as the common council may have prescribed, and the said electors shall have voted in favor thereof. Such resolution shall specify the number of shares to be taken, and shall require the mayor, president or other municipal officer to carry out the directions by subscribing for the number of shares indicated upon the books of the company. Any railroad, gas, manufacturing or other corporation organized under any law of this state, and any insurance company organized under the laws of any state or country doing business in this state, may subscribe for and own stock in such company, and be entitled to all the rights and privileges, and shall be subject to all the liabilities of stockholders. It shall be lawful for any such city, town or village to issue bonds, payable at such time as the common council shall direct, and bearing interest at a rate not exceeding 8 per cent. per annum, and to negotiate the same upon the best terms they can obtain. Such cities, towns and villages shall have power in addition to that given by their charters, to levy taxes not exceeding 2 per cent. on the assessed valuation per annum, sufficient to meet the principal and interest falling due on such bonds.

History: 1869, Act 113, Imd. Eff. Apr. 3, 1869 ;-- CL 1871, 3371 ;-- How. 3126 ;-- CL 1897, 8516 ;-- CL 1915, 11298 ;-- CL 1929, 11891 ;-- CL 1948, 486.317