AN ACT to authorize the formation of corporations for the purpose of improving the navigation of rivers.


The People of the State of Michigan enact:

485.101 Corporations to improve on rivers; formation; tolls.

Sec. 1. That any number of persons may associate for the purpose of improving the navigation of any river in this state, by deepening the channel thereof and the construction of dams therein, and canals to connect therewith, upon such terms and conditions and subject to such liabilities as are prescribed in this act, and to take and receive such amounts of toll for the passage of vessels, boats, rafts, timber, logs and lumber, through such river, when the navigation shall be thus improved, as the board of control of the St. Mary’s Falls ship canal may prescribe, as herein provided.


485.102 Corporations to improve on rivers; certificate, contents, acknowledgment, recording, filing.

Sec. 2. Such persons, under their hands and seals, shall make a certificate which shall specify:
1. The name of the corporation;
2. The stream and section of the stream the navigation of which it is proposed to improve;
3. A statement of the amount of capital stock of such company, and the number of shares into which the capital stock shall be divided;
4. The names and places of residence of the stockholders, and the number of shares held by each of them respectively;
5. The names of the first directors, being not less than 3 or more than 7;
6. The place in this state where their office for the transaction of business is located;
7. The term of existence of such corporation, which shall not exceed 30 years; which certificate shall be acknowledged as deeds are required to be acknowledged, and recorded in the office of the clerk of the county in which the office of said company for the transaction of business is located, and a copy thereof filed in the office of the secretary of state.


485.103 Body corporate; powers; governing law.

Sec. 3. Upon complying with the provisions of the last preceding section, such company shall be a body corporate, by the name designated in said certificate, and as such shall be capable of suing and being sued in all courts and in all manner of actions, and may have a common seal, and may by by-laws prescribe the manner of calling and conducting the meetings of the stockholders, and shall possess the powers and privileges, and be subject to the provisions contained in chapter 55, of title 10, of the Revised Statutes of A.D. 1846, entitled “General provisions relating to corporations,” as far as the same shall be applicable, and not inconsistent with the provisions of this act.


Compiler’s note: For provisions of chapter 55 of the Revised Statutes of 1846, referred to in this section, see MCL 450.504 et seq.

485.104 Improvement of streams; consent of governor and attorney general.

Sec. 4. No company formed or created under this act shall be authorized to improve the navigation of any stream under the provisions of this act, until they shall have obtained the assent in writing of the governor and attorney general of this state.


485.105 Map or plan; application for approval; hearing, procedure, approval; alteration of plan.

Sec. 5. After the organization of any such company as aforesaid, they may prepare a map or plan of the
section or sections of the stream or streams, the navigation of which they propose to improve, and a plan for
the improvement of the same, which shall show and set forth the several points in such stream where
improvements are proposed to be made and the nature and character of such improvements, and may submit
the same to the board of control, and make application to said board for their approval thereof and their assent
to the proposed improvements, whereupon the said board shall designate some regular meeting of their body
at which said application shall be had. The company shall cause notice of said application and the meeting of
the board fixed for the hearing thereof to be published once in each week for [the] 6 successive weeks next
preceding the first day of said regular meeting in some newspaper published in Detroit, in some newspaper
published in Grand Rapids and East Saginaw, and also in some newspaper published in the town where said
corporation has its office, if there be one, and if not then in some newspaper of the same or an adjoining
county, and also in some newspaper published nearest the place where said improvements are to be made, and
shall cause proper proofs of said publication to be filed with the board of control. At the meeting designated
therefor, or at such subsequent meeting as the hearing shall be adjourned to, the board of control shall proceed
to hear and determine the matter of said application, on which hearing all parties interested therein may
appear and be heard. If upon such hearing, the board shall be of opinion that the construction of the proposed
improvement will be a public benefit, and that the company is a proper one to make the same, they shall
endorse upon such map or plan their approval thereof, and their assent to the construction of the improvement
proposed, and shall also fix the time within which the same shall be completed by the company. Said board of
control may, in their discretion, alter or amend such plan or plans before approving the same, or may, at any
time after such approval consent to the alteration of such plans, upon the petition of the company which shall
have presented the same after the publication of a notice of the hearing of said petition in the same manner
required in this section upon the hearing of the original application.


Compiler's note: The board of control, referred to in this section, is the St. Mary's Falls ship canal board of control, also referred to
in MCL 485.101.

485.106 Directors; powers, election, term, vacancy, qualification.

Sec. 6. The business and property of such company shall be managed and directed by a board of not less
than 3 nor more than 7 directors, who, after the first year, shall be elected annually, or once in 2 years, as the
by-laws of said company shall direct, and at such time and place as said by-laws may direct; and public notice
shall be given of the time and place of holding such election not less than 20 days previous thereto, in such a
manner as the by-laws of such company may direct; the election shall be made by such of the stockholders as
shall attend for that purpose, either in person or by proxy. All elections shall be by ballot, and each
stockholder shall be entitled to as many votes as he shall own shares of stock, and the persons having the
greatest number of votes shall be directors. Whenever any vacancy shall happen in the board of directors,
such vacancy shall be filled for the remainder of the term, by the remaining directors. The directors shall hold
their offices for 1 or 2 years, as said by-laws may direct, and until others are elected in their places, and no
person shall be a director unless he is a stockholder in said company.

History: 1869, Act 149, Imd. Eff. Apr. 5, 1869;—CL 1871, 2721;—How. 3850;—CL 1897, 6726;—CL 1915, 8827;—CL 1929,
11762;—CL 1948, 485.106.

485.107 Directors; calling of election.

Sec. 7. In case it shall happen that an election for directors shall not be held as provided, the said
corporation shall not be for that reason dissolved, but such election shall be held on some future day, to be
fixed by the directors holding over, upon giving the notice therefor as in this act provided.

History: 1869, Act 149, Imd. Eff. Apr. 5, 1869;—CL 1871, 2722;—How. 3851;—CL 1897, 6727;—CL 1915, 8828;—CL 1929,

485.108 Directors; majority control.

Sec. 8. A majority of the directors shall be a board for the transaction of business, and the acts of a
majority of the board shall bind the corporation.

History: 1869, Act 149, Imd. Eff. Apr. 5, 1869;—CL 1871, 2723;—How. 3852;—CL 1897, 6728;—CL 1915, 8829;—CL 1929,
11764;—CL 1948, 485.108.

485.109 Directors; president; treasurer; selection, vacancy.

Sec. 9. The directors at their first meeting after their election, shall choose, by ballot, 1 of their number as
president, and 1 as treasurer, and they shall supply any vacancy in the office of president or treasurer,
whenever the same shall occur.


485.110 President and directors; powers.

Sec. 10. The president and directors shall have power to make and prescribe such by-laws, rules and regulations respecting the transfer of stocks, and the management and control of the affairs and property of such corporation, as they may deem best, not inconsistent with the laws of the United States or of this state, and shall have power to appoint and employ officers, clerks, agents, and servants for conducting and carrying on the business of such incorporation, and determine their duties and salaries, and wages to be paid to them.


485.111 Subscriptions; increase in capital stock, certificate, filing.

Sec. 11. The directors of any such company may at any time receive subscriptions to stock in said company until the whole amount of the stock mentioned in their articles of association shall be subscribed; and whenever, in the judgment of the directors, it shall be necessary to increase the capital stock of any such company for the extension or more perfect completion of such proposed work, or to provide lands and buildings needful for its use, it shall be competent for such directors, with the approval or ratification of the holders of a majority of the capital stock, at any lawful meeting of stockholders, to provide for such increase; and in all cases where such capital stock is increased, a certificate thereof shall be signed, certified, and filed as hereinbefore required in case of the original articles of association.


485.112 Subscriptions; calling in; sale, procedure, purchaser's rights.

Sec. 12. The directors may call in subscriptions to the capital stock of such corporation by installments, in such portions, and at such times and places as they shall think proper, by giving notice thereof as the by-laws shall prescribe; and in case any stockholder shall neglect or refuse payment of any such installment for the space of 60 days after the same shall become due and payable, and after he shall have been notified thereof, the stock of such delinquent stockholder may be sold by the directors at public auction, at the office of the secretary of the corporation, giving at least 30 days' notice in some newspaper published in the county; Provided, That if said stockholder shall reside in this state, the stock shall be sold at the business office of said corporation, in the county in which they are doing business, giving at least 30 days' notice thereof in some newspaper published in the county; if no newspaper be published in the county in which such corporation transacts their business, then it shall be published in the newspaper in the city of Detroit which shall have at the time the largest circulation; and the proceeds of such sale shall be first applied in payment of the installment called for, and the expenses on the same, and the residue shall be refunded to the owner thereof; and such sale shall entitle the purchaser to all the rights of a stockholder, to the extent of the shares so bought.


485.113 Corporate powers.

Sec. 13. Every such corporation organized, as hereinbefore prescribed, may make the improvements thus set forth in said plans after the same shall have been approved by said board of control, and shall have the following powers and be subject to the liabilities and restrictions following, that is to say:

First, To cause such examinations and surveys of [for] the proposed improvements whether of dams or canals, or deepening of the channels to be made along the stream, the navigation of which it is proposed to improve, as may be necessary to prepare for the work to be done, and by their officers and agents and servants to enter upon the lands or waters of any person or company, but subject to liability for all damages which they shall do thereto;

Second, To purchase, and by voluntary grants and donations to receive, enter upon, take, hold, and use all such lands and real estate and other property as may be necessary for the construction and maintenance of the work proposed in the approved plans of such company;

Third, To divert into such stream to be improved, waters from any lake or lakes in the vicinity thereof by canals to be constructed for that purpose; to divert the water from the present channel of the stream to be improved, by cutting across bends in said river; to flood lands by constructing the necessary dams according to plans approved as aforesaid, and to enter upon, take and use any lands which may be necessary for the
purpose of constructing and maintaining such works and improvements: Provided, That the necessity for such
diversion of the water, flooding of lands, and of taking such lands for such purposes, and the damages to be
paid therefor, in each case of diversion of water, flooding of land, or taking of the same shall be ascertained,
such damages paid as provided for in sections 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25 of an
act entitled “An act to provide for the formation of companies to construct plank roads,” approved April 8th,
1851, being sections 1894 to 1905, inclusive of the Compiled Laws and the amendments thereto;

Fourth, To have power to drive the logs put into such stream, and for that purpose to make and enforce all
necessary contracts with the owners of the logs and other floatables to be driven in such stream, and may also
make contracts relative to tolls to be paid by any person for the use for any number of years of any portion of
any stream improved by such corporation, and when any such contract is in writing, the same shall be
executed on the part of such corporation by its president and secretary under the seal of such corporation.


Compiler’s note: Sections 13 to 25 of Act 155 of 1851, referred to in this section, were repealed by Act 84 of 1921.

485.114 Tolls; forfeiture of right to collect.

Sec. 14. It shall be the duty of such company to complete the improvements contemplated by the plans
approved as aforesaid within the time which shall be prescribed by the said board of control, at the time said
plans shall be approved by said board of control, and in case of failure so to do said company shall forfeit all
right to collect tolls of any person or persons whatever, who shall use for the purposes of navigation the
improvements made by such company, unless the time for completing the same shall have been previously
extended by said board of control, upon good cause shown and after publication of a notice of said application
as required by section 5 of this act.


485.115 Tolls; power of board to fix; jurisdiction of corporation; annual statement, contents.

Sec. 15. Whenever any portion of said work shall be completed to the satisfaction of said board of control,
and it is so far useful that in the opinion of said board of control tolls should be paid for the use thereof, said
board may fix the tolls to be paid for the use of such portion until the whole of said work is completed; and
whenever said improvements have been completed and accepted by said board of control, the rates of toll
which any company organized under this act may charge for running rafts, timbers, logs or lumber through
said improved stream shall be fixed by said board of control, and may be graduated with reference to the
distance run upon the portion of said stream improved by said company, and shall not be increased without
the consent of said board, but may be changed from time to time by said board; and such toll shall not at any
time be increased so that the sum shall amount to more than 15 per cent a year upon the actual cost of such
improvements after deducting the necessary expenses and repairs; and the said board shall, as far as may be
practicable, so fix the rates of toll on timber, logs, and lumber, that the same shall not at any time exceed the
sum of 25 cents per 1,000 feet, board measure, on any stream where 10,000,000 of feet or less are run in any 1
year; 20 cents per 1,000 feet, board measure, on any stream where 30,000,000 of feet or less are run in any 1
year; nor more than 15 cents per 1,000 feet, board measure, on any stream where from 30,000,000 to
50,000,000 of feet are run in any 1 year; nor more than 10 cents per 1,000 feet, board measure, on any stream
where from 50,000,000 to 100,000,000 of feet are run in any 1 year; nor more than 5 cents per 1,000 feet,
board measure, on any stream where from 100,000,000 to 200,000,000 of feet or more are run in any 1 year;
and the collection of such tolls shall be confined strictly to that part or portion of a river or stream so
improved, and to that class of floatables benefited by the improvement; and nothing in this act shall be
construed to give jurisdiction to any corporation over any portion of a river or stream other than the portion
specifically improved by such corporation. Such corporation shall cause to be made out and filed with said
board of control, at or before its meeting on the last Wednesday in March, each year, the affidavit of its
president or 1 of its directors, setting forth in detail, upon his best information and belief, what amount of
timber, logs, and lumber will be run through any section or sections of the river improved by the company
during that year, and that the official has made due and reasonable inquiry on the subject from persons
lumbering on the river, and otherwise.


485.116 Tolls; improved streams open to all.

Sec. 16. Any stream improved under this act shall be open to all persons for use, upon the payment of tolls,
prescribed as aforesaid for the passage of vessels, boats, logs, rafts, timber and lumber through such improved stream or waters, and uniform rates of toll shall be charged to all persons, whether stockholders in such company or not.


485.117 Tolls; collection.

Sec. 17. Whenever said tolls are prescribed as aforesaid, the directors of the corporation may collect the same by action of assumpsit from persons using such improved portions of such stream. The proceedings in such action shall be in accordance with the practice of the courts in which such action is commenced in actions of assumpsit.


485.118 Lien on floatables; sale, procedure.

Sec. 18. Such company shall have a lien upon all logs, rafts, timber or lumber or other floatables driven, rafted or run through such stream or waters upon which toll shall be due, for such toll, and may sell a sufficient quantity of such logs, timber or lumber, or other floatables to satisfy said claim or demand, with the expense of such sale, at public auction on not less than 10 days’ notice, either personally served upon such owner, or posted in 3 or more conspicuous places in the township where such logs are held, and in either case, by posting a like notice, also, in the office of such company, of the mark, description and supposed owner of such logs, timber or lumber, and the charges for which the same is to be sold.


485.119 Stream to be kept in repair; forfeiture.

Sec. 19. The board of directors of any such company shall, at all times after commencing the collection of any tolls from persons using said improved stream or waters, keep such portions of the stream or waters clear of all unnecessary obstructions, and in good condition for the passage of rafts, timber, logs, lumber, vessels or boats for which toll is charged, and in case of any dilapidation or obstruction which is calculated to endanger or delay the passage of rafts, timber, logs or lumber, boats or vessels, as aforesaid, it shall be the duty of the board of directors, without unnecessary delay, to make such repairs as shall restore such stream or waters to their proper condition; and in case said board of directors shall fail to comply with the provisions of this section, the corporation shall, for every such neglect or refusal, be liable to a forfeiture of 100 dollars, to be recovered in an action of debt, by any person aggrieved or injured thereby: Provided, That in all cases 1 of said board of directors shall first have been notified of such defect, and the necessary time for its repair shall have elapsed after such notice and before the commencement of such suit.


485.120 Injury to stream or property; penalty.

Sec. 20. If any person shall wilfully obstruct any stream or waters improved under the provisions of this act, or any part thereof, or shall wilfully destroy or injure any buildings, piers, dams, fixtures, banks or other constructions in use upon the same belonging to said company, such person or persons so offending shall, for every offense, be deemed guilty of a misdemeanor, and shall be punished by a fine not exceeding 500 dollars, or by imprisonment in the county jail not more than 1 year, in the discretion of the court.


485.121 Log jam; power to break, lien for cost.

Sec. 21. If any person or persons shall put, or cause to be put, into said stream or waters, any logs, timber, or lumber, and shall not make adequate provisions and put on sufficient force for breaking jams of such logs, timber or lumber in or upon such stream or waters, or for running, rafting or driving the same, and thereby obstruct the floatage, or navigation, it shall be lawful for such company, to cause such jams to be broken, and such logs, lumber or timbers to be run, driven, boomed, rafted or secured, at the charge and expense of the person or persons owning said logs, timber or lumber; and said company shall have a lien upon such logs, timber or lumber, as shall be sufficient to pay and satisfy all just and reasonable charges therefor, and expense and cost thereof, and shall be entitled to take and retain possession of such logs, timber or lumber, or so much
thereof as may be necessary to satisfy the amount of such charges, for breaking such jams, and for driving, booming, rafting, and running of said logs, timber or lumber, and expenses and costs thereon, until the same be satisfied and paid; and such corporation shall proceed to collect such charges, costs and expenses, in the manner hereinafter prescribed.


### 485.122 Lien; enforcement.

Sec. 22. Any such corporation claiming any lien may bring an action of assumpsit against the owner of such property to determine and satisfy the amount of such lien or such corporation may waive its claim of lien and bring such action against such owner for the amount thereof. The proceedings in such actions shall be in accordance with the practice of the courts in which such action is commenced in actions of assumpsit. The property held under a claim of lien may be levied upon and sold to satisfy any judgment which may be rendered against such owner in such action, and the taxable costs in such case shall include the cost and expense of providing for the care and safety of such property. In cases where the claim of lien is waived under the provisions of this section the plaintiff shall have judgment if he shall establish on the trial such a state of facts as would have entitled him to a lien, and the judgment shall be collected as in ordinary cases in assumpsit: Provided, That such action shall be commenced within 60 days after such tolls shall become due.


### 485.123 Lien on floatables; owner unknown or without jurisdiction of court.

Sec. 23. If the owner of such logs, timber or other floatables, cannot be ascertained, or is without the jurisdiction of the court, the proceeding to ascertain and determine the amount of such lien may be against the property, and commenced by filing the petition of said corporation, claiming such lien, in the proper court, which shall contain a statement of the nature and amount of the claim, and a description of the property seized, and that the owner of such property is unknown, or is without the jurisdiction of the court, and praying for a judgment against such property for the amount of such claim, which petition shall be verified by the oath of the president of such corporation filing the same, or its agent or attorney. The plaintiff shall thereupon, and before any trial shall be had, or judgment rendered, in such proceeding, cause a notice to be published for 4 successive weeks, at least once in each week, in some newspaper printed and circulated in such county, or if none is printed and circulated in such county, then in such other newspaper published in this state as such court shall direct, which notice shall state the title of the court, the name of the plaintiff, the name of the owner of the property taken, if known, the nature and amount of the claim, and the description of the property upon which the lien is sought to be enforced. The owner of such property shall have a right to appear and defend in such proceedings, at any time before judgment, upon such terms as the court shall direct; and in case of his appearance, an issue shall thereupon be formed as in actions of assumpsit, and all subsequent proceedings in such case shall be in accordance with the practice of such court in actions of assumpsit. If the owner shall fail to appear in such proceeding, the court may proceed ex parte, to hear, try and determine the facts alleged in such petition, and render such judgment thereon as justice may require. If judgment shall be rendered in favor of such plaintiff, the court shall thereupon order that the property covered by such lien, or as much thereof as may be necessary, be sold to satisfy the amount of such judgment, with costs.


### 485.124 Annual report; contents.

Sec. 24. On or before the first Monday in January in each year it shall be the duty of the directors of every company formed under this act, to report to the secretary of state, under the oath of the secretary and 1 or more of the directors, the length of the stream or waters so improved; the cost of such improvements; the amount of money expended; the amount of their capital; how much of the same is paid in and how much is more of the directors, the length of the stream or waters so improved; the cost of such improvements; the


### 485.125 Taxation.

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Sec. 25. Each and every company formed under this act, shall pay to the treasurer of the state of Michigan an annual tax at the rate of 1 per cent on the whole amount of capital paid in upon the capital stock of said company, which tax shall be estimated upon the last preceding report of said company, and shall be paid to the said treasurer on the first Monday in July of each year, and shall be in lieu of all other taxes upon all the property of said company.


485.126 Stockholder's liability; recovery prerequisites.

Sec. 26. The stockholders of every company organized in pursuance of this act, shall be jointly and severally personally liable for the payment of all debts and demands against such association, which shall be contracted, or which shall be, or shall become due during the time of their holding such stocks, for any labor or services done or performed for such company; but no stockholder shall be proceeded against for the collection of any debt or demand against such company, until judgment thereon shall have been obtained against the association, and an execution on such judgment shall have been returned unsatisfied, in whole or in part, or unless such association shall be dissolved.


485.127 Shares deemed personalty; transfer.

Sec. 27. The shares of any company formed under this act shall be deemed personal property, and may be transferred as shall be prescribed by the by-laws of such company.


485.129 Governing laws.

Sec. 29. All companies formed under this act shall at all times be subject to all general laws in force relative to corporations.