

RAILROAD CODE OF 1993 (EXCERPT)
Act 354 of 1993

462.201 Corporation; formation; purpose; articles of association; filing; powers of subscribers; increasing or decreasing number of directors; resolution.

Sec. 201.

(1) One or more persons may form a corporation for the purpose of constructing, operating, and maintaining a railroad, railroad bridge, or railroad tunnel by subscribing articles of association, in which shall be set forth the name of the corporation, the number of years the corporation is to be continued or if it is to be perpetual, the amount, classes, and value of capital stock of the corporation, which shall not be less than 1/2 the estimated cost of the railroad, bridge, or tunnel; the number of shares of which the stock shall consist, with such designations, relative rights, preferences, conditions, limitations, restrictions, and voting rights as shall be specified, and the consideration for which the corporation may issue and sell the shares, or authorization to the board of directors to fix the consideration from time to time, which consideration shall not be less than the value placed on the share in the articles of association, and when the consideration for which a share was authorized to be issued is received by the company the share is considered to be fully paid and nonassessable; the number of directors, which shall not be less than 3, and their names; the places from and to which and the name of each county into or through which it is or is intended to be constructed, and its length as near as may be. Each subscriber to the articles of association shall set opposite his or her name his or her place of residence, and the number of shares of each class of stock subscribed to by him or her.

(2) Whenever 1/2 the estimated cost of the railroad, bridge, or tunnel is subscribed upon the articles of association, and 5% of the amount subscribed is paid in to the directors named in the articles, in good faith, in cash, and an affidavit is made and attached thereto by any 2 of the directors, that this amount has been subscribed, the articles of association shall be filed in the office of the department of commerce, and thereupon the persons who have subscribed the articles, and all other persons who thereafter subscribe to or become the holders of the capital stock of the corporation, in the manner to be provided in its by-laws, shall be a body corporate, by the name specified in the articles, and shall be capable of suing and being sued, and may have a corporate seal and make and alter the same at pleasure, and may use the seal by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise, and be capable in law of purchasing, holding, and conveying any real and personal property necessary for the construction, maintenance, and operation of the railroad, railroad bridge, or railroad tunnel; and for the erection of all necessary buildings, yards, and appurtenances for the use of the same.

(3) Subject to the limitations of this act, a railroad company existing in whole or in part under the laws of this state, at any general or special meeting of the stockholders called and held pursuant to the provisions of this act, may increase or decrease the number of its directors provided for in its articles of association, by a resolution approved by 2/3 of the entire stock of the company having voting power. A copy of a resolution so passed shall be certified by the secretary of the company and shall be filed and recorded in the office of the department of commerce in like manner as provided by law for the filing and recording of articles of incorporation of railroad companies.

History: 1993, Act 354, Imd. Eff. Jan. 14, 1994