

WATERWORKS (EXCERPT)
Act 113 of 1869

486.318 Company fully organized; qualification, powers, financial arrangements.

Sec. 18. Any such company shall be deemed to be fully organized whenever half the capital stock named in its articles of association shall have been in good faith subscribed and 10 per cent. thereof paid in and may thereupon enter on the work of construction; and in order to raise moneys for that purpose, it shall have power to borrow money, to issue bonds or other evidences of indebtedness, to execute mortgages or trust deeds, as may be deemed necessary for that purpose, and it may also issue a preferred stock, if a majority of the stockholders of the company shall vote that it is advisable so to do; but in the case that such city, town or village is a stockholder, no such mortgage, trust deed, or issue of preferred stock shall be valid without the assent thereto of the common council of said city or village or the municipal authorities of such town and in such case it shall be deemed a misdemeanor for the directors of said company to contract debts to any amount in excess of the means provided for, by subscriptions to stock, and the estimated net receipts of the company from its rates for 1 year, in advance, except they shall have first obtained the assent thereto of the said common council.

History: 1869, Act 113, Imd. Eff. Apr. 3, 1869;—CL 1871, 3372;—How. 3127;—CL 1897, 8517;—CL 1915, 11299;—CL 1929, 11892;—CL 1948, 486.318.