

Legislative Analysis



REVISE POPULATION THRESHOLD FOR DETROIT UNDER HOME RULE CITIES ACT

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House Bill 4874 (Substitute H-2)

Sponsor: Rep. Shanelle Jackson

Committee: Local, Intergovernmental, and Regional Affairs

First Analysis (12-13-11)

BRIEF SUMMARY: The bill would lower from 750,000 to 600,000 the population threshold that allows the City of Detroit to establish by ordinance special assessment districts in order to provide certain health and safety services.

FISCAL IMPACT: The bill would essentially keep current provisions and practices in place by amending the population threshold.

THE APPARENT PROBLEM:

The population of the city of Detroit declined 25 percent during the previous decade—from 951,270 to 713,777—according to the results of the 2010 federal decennial census.

The Michigan Home Rule Cities Act uses a population threshold of 750,000 people to authorize cities of that size to issue general obligation bonds and other evidences of debt, as well as to designate special assessment districts in order to provide health and safety services. Only Detroit previously met that requirement, but with the new census results, it no longer does.

For example, the Grandmont Rosedale Neighborhood, and its non-profit organization, the Grandmont Rosedale Development Corporation, a community-based organization that works to preserve and improve the neighborhood, are currently designated as a special assessment district. (For more information see <http://www.grandmontrosedale.com>.) Within that district, residents pay a self-imposed fee to ensure snow removal and security services, since the financially-strapped City of Detroit does not provide these services in its neighborhoods.

Legislation has been introduced to lower from 750,000 to 600,000 the population threshold in the Home Rule Cities Act, so that the City of Detroit can continue to designate special assessment districts, allowing neighborhoods to continue to hire private contractors whose services keep their neighborhoods safe, healthy, and whole.

THE CONTENT OF THE BILL:

House Bill 4874 (H-2) would amend the Home Rule Cities Act. Now the law now allows a home rule city with a population of more than 750,000 to provide by ordinance a procedure to finance, by special assessments, the provision by private contractors of snow removal from streets, mosquito abatement, and security services, with the approval of the owners of at least 51 percent of the property in the designated special assessment district.

House Bill 4874 would also retain this provision, but lower the population threshold from 750,000 to 600,000.

(MCL 117.5i)

ARGUMENTS:

For:

During the past decade, the population of the City of Detroit declined from 951,270 to 713,777, according to the results of the 2010 decennial census. As a result, the number of city residents has fallen below the population threshold of 750,000 people found in certain special provisions in the Home Rule Cities Act. This act enables cities of that size to issue general obligation bonds and other debt, and also designate special assessment districts in order to provide health and safety services in city neighborhoods.

Because the City of Detroit is negotiating a financial crisis, the city public works department does not plow snow neighborhood streets. Similarly, neighborhood police patrols are considered inadequate to ensure safety. To get these services, residents in some neighborhoods pay special assessments to hire private contractors for snow removal and to enhance security. This legislation is necessary for Detroit neighborhood associations such as the non-profit Grandmont Rosedale Development Corporation to be able to assess residents fees for services that keep their neighborhoods safe, healthy, and whole.

Against:

While this is a good bill, it was better in its original form. House Bill 4874, as introduced, would have lowered the population threshold for the City of Detroit in three sections of the Home Rule Cities Act, not one. In addition to the section of the law enabling special assessment districts (found here in Substitute H-2), the original bill lowered the population threshold in sections of the law that enable Detroit to issue general obligation bonds and other debt. This bill should be amended so as to also update those sections of the law.

POSITIONS:

The City of Detroit supports the bill. (12-8-11)

The Michigan Department of Treasury supports the bill. (12-8-11)

The Grandmont Rosedale Development Corporation supports the bill. (12-8-11)

The Grandmont Rosedale Neighborhood supports the bill. (12-8-11)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.