

**SUBSTITUTE FOR  
SENATE BILL NO. 485**

A bill to amend 1909 PA 279, entitled  
"The home rule city act,"  
by amending section 5 (MCL 117.5), as amended by 2002 PA 201.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 5. (1) A city does not have power **TO DO ANY OF THE**  
2 **FOLLOWING:**

3       (a) To increase the rate of taxation now fixed by law, unless  
4 the authority to do so is given by a majority of the electors of  
5 the city voting at the election at which the proposition is  
6 submitted, but the increase in any case shall not be in an amount  
7 as to cause the rate to exceed 2%, except as provided by law, of  
8 the assessed value of the real and personal property in the city.

9       (b) To submit to the electors a charter more often than once  
10 in every 2 years, nor unless the charter is filed with the city

1 clerk 60 days before the election, but this provision shall not  
2 apply to the submission and resubmission of charters of cities that  
3 may be incorporated under this act until they shall have first  
4 adopted a charter. Where a city submits to the electors a charter  
5 and the charter is adopted by the electors, and the city has  
6 operated under the charter, which charter has not, at the time it  
7 is adopted, been on file with the city clerk 60 days, then the  
8 legislative body of the city, upon its giving the notice of  
9 election as provided in the charter, may resubmit to the electors,  
10 at a special or general election, the charter, which, if adopted by  
11 the electors, shall be considered operative and effective as of the  
12 date of the first submission and adoption. The charter shall not be  
13 resubmitted unless 60 days have elapsed between the date of the  
14 filing of the charter and the date of the election at which the  
15 charter is resubmitted.

16 (c) To call more than 2 special elections within 1 year. This  
17 prohibition does not apply to elections that may be held in the  
18 submission and resubmission of charters of cities that may be  
19 incorporated under this act until they have first adopted a  
20 charter, and does not apply to elections that may be held in the  
21 resubmission of a charter once adopted as provided in subdivision  
22 (b).

23 (d) To decrease the salary of a municipal judge after his or  
24 her election or appointment, or during the judge's term of office,  
25 notwithstanding any charter provision to the contrary. The term of  
26 a public official shall not be shortened or extended beyond the  
27 period for which the official is elected or appointed, unless he or

1 she resigns or is removed for cause, if the office is held for a  
2 fixed term.

3 (e) To adopt a charter or an amendment to the charter unless  
4 approved by a majority of the electors voting on the question; to  
5 sell a park, cemetery, or any part of a park or cemetery, except  
6 where the park is not required under an official master plan of the  
7 city; to engage in a business enterprise requiring an investment of  
8 money in excess of 10 cents per capita; or to authorize an issue of  
9 bonds except bonds issued in anticipation of the collection of  
10 taxes actually levied and uncollected or for which an appropriation  
11 has been made; bonds that the city is authorized by its charter to  
12 issue as part of its budget system, to an amount that in any year,  
13 together with the taxes levied for the same year, will not exceed  
14 the limit of taxation authorized by law; special assessment bonds;  
15 bonds for the city's portion of local improvements; refunding  
16 bonds; emergency bonds as defined by this act; and bonds that the  
17 legislative body is authorized by specific statute to issue without  
18 vote of the electors, unless approved by a majority of the electors  
19 voting on the question at a general or special election. In  
20 addition, a city that now has, or may subsequently have, a  
21 population of 750,000 persons or more may issue bonds, upon  
22 resolution of its governing body, without prior approval of the  
23 electors, which the city is authorized by its charter to issue as  
24 part of its budget system, to an amount that in any year, together  
25 with the ad valorem taxes levied for the same year, exclusive of  
26 debt service taxes or taxes levied pursuant to other laws, will not  
27 exceed 2-1/2% of the assessed value of the real and personal

1 property in the city, this limitation to supersede and take the  
2 place of any contrary language in any existing city charter. For  
3 the purposes of this subdivision only, the assessed value of real  
4 and personal property in any city shall include the assessed value  
5 equivalent of money received during the city's fiscal year under  
6 the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL  
7 141.901 to 141.921. The assessed value equivalent shall be  
8 calculated by dividing the money received by the city's millage  
9 rate for the fiscal year. Notwithstanding the former provisions of  
10 this subdivision requiring approval by 3/5 of the electors voting  
11 on the question as a prerequisite to the exercise of certain  
12 powers, these powers may be exercised if approved by a majority of  
13 the electors voting on the question at a general or special  
14 election held on or after April 1, 1966.

15 (f) To make a contract with, or give an official position to,  
16 one who is in default to the city.

17 (g) To issue bonds without providing a sinking fund to pay  
18 them at maturity, except as provided in section 4g(1), but sinking  
19 funds shall not be required in the case of serial bonds that fall  
20 due annually. Bonds, whether authorized under this act or any other  
21 act, except refunding bonds, revenue bonds, motor vehicle highway  
22 fund bonds, rehabilitation bonds, judgment bonds, bonds or other  
23 obligations issued to fund an operating deficit of a city, bonds or  
24 other obligations to pay premiums or to establish funds to self-  
25 insure for losses as authorized by the revised municipal finance  
26 act, 2001 PA 34, MCL 141.2101 to 141.2821, bonds the issuance of  
27 which has been approved by the voters, and bonds issued to comply

Senate Bill No. 485 (S-1) as amended June 30, 2011

1 with an order of a court of competent jurisdiction shall not be  
2 issued by a city unless notice of the issuance of the bonds is  
3 published once in a newspaper of general circulation in the city at  
4 least 45 days before the issuance of the bonds, within which period  
5 a petition may be filed with the legislative body signed by not  
6 less than 10% or 15,000 of the registered electors in the city,  
7 whichever is less, in which event the legislative body shall submit  
8 the question of the issuance of the bonds to the electors of the  
9 city, at a regular or special election in the city. The bonds shall  
10 not be issued unless a majority vote of the electors voting on the  
11 issuance vote in favor of issuing the bonds. The notice of intent  
12 to issue bonds shall state the maximum amount of the bond issue,  
13 the purpose of the bond issuance, source of payment, right of  
14 referendum on the issuance of the bonds, and other information as  
15 the legislative body determines to be necessary to adequately  
16 inform the electors and all other interested persons of the nature  
17 of the issue and of their rights with respect to the issue.

18 (h) To repudiate a debt by a change in its charter or by  
19 consolidation with any other municipality.

20 (i) To submit a franchise to the electors at a special  
21 election, unless the expense of holding the election, as determined  
22 by the legislative body, is paid in advance to the city treasurer  
23 by the grantee in the franchise.

24 (2) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT  
25 ADDED THIS SUBSECTION, A CITY SHALL NOT ADOPT A CITY CHARTER [OR  
26 ORDINANCE ] THAT INCLUDES ANY MINIMUM STAFFING  
27 REQUIREMENT FOR CITY EMPLOYEES. EXCEPT AS OTHERWISE PROVIDED IN

Senate Bill No. 485 (S-1) as amended June 30, 2011

1 THIS SUBSECTION, ANY PROVISION IN A CITY CHARTER [OR ORDINANCE  
2 ] ADOPTED ON OR AFTER THE EFFECTIVE DATE OF THE AMENDATORY  
3 ACT THAT ADDED THIS SUBSECTION THAT CONTAINS A MINIMUM STAFFING  
4 REQUIREMENT FOR CITY EMPLOYEES IS VOID AND UNENFORCEABLE. [  
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