

**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2011**

Introduced by Senator Robertson

ENROLLED SENATE BILL No. 491

AN ACT to amend 1909 PA 278, entitled "An act to provide for the incorporation of villages and for revising and amending their charters; to provide for the levy and collection of taxes, borrowing of money, and issuance of bonds and other evidences of indebtedness; to validate bonds issued and obligations previously incurred; and to prescribe penalties and provide remedies," by amending section 26 (MCL 78.26), as amended by 1995 PA 211.

The People of the State of Michigan enact:

Sec. 26. (1) A village shall not do any of the following:

(a) Submit to the electors a charter or a revision of a charter more often than once in every 2 years or file it with the village clerk less than 90 days before the election. This subdivision does not apply to the submission and resubmission of charters to villages that may be incorporated under this act until they have first adopted a charter.

(b) Call more than 2 special elections within 1 year. This prohibition does not apply to elections that may be held in the submission and resubmission of charters to villages that may be incorporated under this act until they have first adopted a charter.

(c) Change the salary or emoluments of a public official after his or her election or appointment, or during his or her term of office, if the office is held for a fixed term, or shorten or extend the term of a public official from the period for which he or she was elected or appointed, unless he or she is removed for cause.

(d) Adopt a charter or amendment to a charter, unless approved by a majority of the electors voting on the charter or amendment at a general or special election.

(e) Authorize an issue of bonds unless approved at an election by a majority of the electors of the village voting on the issuance of the bonds. This subdivision does not apply to special assessment bonds, bonds for the village portion of local improvements, not to exceed 40% of the cost of the improvement, refunding bonds, bonds for relief from fire, flood, or calamity, or for payment of judgments, or bonds that the legislative body is authorized by specific statute to issue without vote of the electors.

(f) Adopt a scheme for exemption from municipal taxation.

(g) Repudiate a debt by a change in its charter or by consolidation with any other municipality.

(h) Incur indebtedness by the issue of bonds, or otherwise, in a sum that, including existing indebtedness, exceeds 10% of the assessed valuation of the real and personal property within the village subject to taxation, as shown by the last assessment roll of the village. Bonds issued in anticipation of the collection of special assessments, even though they are a general obligation of the village, motor vehicle highway fund bonds, revenue bonds, and bonds issued, or contract or assessment obligations incurred, to comply with an order of the department of environmental quality or a court of competent jurisdiction, even though they are a general obligation of the village, bonds issued, or contract or assessment obligations incurred, for water supply, sewerage, drainage, or refuse disposal projects necessary to protect the public health by abating pollution, even though they are a general obligation of the village, and bonds issued or assessments or contract obligations incurred for the construction, improvement, or replacement of a combined sewer overflow abatement facility are not included in this limitation. Money on hand in a sinking fund limited to the payment of indebtedness may be treated as a reduction of the indebtedness to that extent. If, because of fire, flood, or other calamity, an emergency fund is required for the relief of the inhabitants of the village or for the repairing or rebuilding of any of its municipal buildings, works, bridges, or streets, the legislative body of the village may borrow money due in not more than 3 years and in an amount not exceeding 1/4 of 1% of the assessed valuation of the village, notwithstanding that the loan may increase the indebtedness of the village beyond the limitations fixed by its charter or in this subdivision. If a village is authorized to acquire or operate a public utility, it may issue mortgage bonds for that purpose beyond the general limit of bonded indebtedness prescribed by law. The mortgage bonds issued beyond the limit of general indebtedness prescribed by law shall not impose a liability upon the village, but shall be secured only upon the property and revenues of the public utility, including a franchise, stating the terms upon which, in case of foreclosure, the purchaser may operate the public utility. The franchise shall not extend for a period longer than 20 years from the date of the sale of the public utility and franchise on foreclosure. Bonds issued, or contract or assessment obligations incurred, before July 31, 1973 are validated. As used in this subdivision:

(i) "Combined sewer overflow" means a discharge from a combined sewer system that occurs when the flow capacity of the combined sewer system is exceeded.

(ii) "Combined sewer overflow abatement facility" means works, instrumentalities, or equipment necessary or appropriate to abate combined sewer overflows.

(iii) "Combined sewer system" means a sewer designed and used to convey both storm water runoff and sanitary sewage, and which contains lawfully installed regulators and control devices that allow for delivery of sanitary flow to treatment during dry weather periods and divert storm water and sanitary sewage to surface waters during storm flow periods.

(iv) "Construction" means any action taken in the designing or building of a combined sewer overflow abatement facility. Construction includes, but is not limited to, all of the following:

(A) Engineering services.

(B) Legal services.

(C) Financial services.

(D) Design of plans and specifications.

(E) Acquisition of land or structural components.

(F) Building, erection, alteration, remodeling, or extension of a combined sewer overflow abatement facility.

(G) Village supervision of the project activities described in sub-subparagraphs (A) to (F).

(v) "Improvement" means any action undertaken to expand, rehabilitate, or restore a combined sewer overflow abatement facility.

(vi) "Replacement" means action taken to obtain and install equipment, accessories, or appurtenances during the useful life of a combined sewer overflow abatement facility necessary to maintain the capacity and performance for which the equipment, accessories, or appurtenances are designed and constructed.

(i) Lay or collect taxes for municipal purposes except as otherwise provided by law, at a rate in excess of 2% of the assessed value of all real and personal property in the village.

(j) Issue bonds without creating a sinking fund for the payment of the bonds, except special assessment bonds that are a charge upon a special district created for the payment of the bonds, and serial bonds payable annually.

(2) Beginning on the effective date of the amendatory act that added this subsection, a village shall not adopt a village charter or ordinance that includes any minimum staffing requirement for village employees. Except as otherwise provided in this subsection, any provision in a village charter or ordinance adopted on or after the effective date of the amendatory act that added this subsection that contains a minimum staffing requirement for village employees is void and unenforceable.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Sam E. Randall

Clerk of the House of Representatives

Approved

.....
Governor